

061076

JPRS-SSA-86-120

4 DECEMBER 1986

# Sub-Saharan Africa Report

19980213 160

DTIC QUALITY INSPECTED 2

**DISTRIBUTION STATEMENT A**

Approved for public release;  
Distribution Unlimited

**FBIS**

**FOREIGN BROADCAST INFORMATION SERVICE**

REPRODUCED BY  
U.S. DEPARTMENT OF COMMERCE  
NATIONAL TECHNICAL  
INFORMATION SERVICE  
SPRINGFIELD, VA. 22161

15  
106  
A06

#### NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

#### PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

4 DECEMBER 1986

## SUB-SAHARAN AFRICA REPORT

## CONTENTS

## ANGOLA

Positive Comments on Visit to Savimbi's UNITA (Various sources, 11, 16 Sep 86).....	1
Joao Soares Interview	1
CDS Deputy on UNITA, by Manuel Monteiro	3
Savimbi Message to Youth	5
Cavaco Silva's Reluctance To Aid UNITA Creates Protest (O DIABO, 16 Sep 86; SEMANARIO, 13 Sep 86).....	7
Cavaco Silva's Attitude 'Perplexing', by Vera Lagoa	7
'Realpolitik' Seen Risky, by Jose Miguel Judice	8
Diamang Manager Discusses Company's Condition, Dissolution (Manual Pereira da Gama Junior Interview; JORNAL DE ANGOLA, 29 Aug 86).....	11

## LIBERIA

FRG Loan Freeze, On-Going Projects (Martin Kerkula; DAILY OBSERVER, 25 Sep 86).....	15
Maritime Commissioner on Continuation of Liberal Maritime Policy (DAILY OBSERVER, 24 Sep 86).....	17
Doe Pledges To Maintain U.S. Dollar (NEW LIBERIAN, 6 Oct 86).....	18
New Government Appointments Announced (DAILY STAR, 23 Sep 86).....	19

Foreign Minister Rejects Cuban Troop Withdrawal Linkage (DAILY OBSERVER, 7 Oct 86).....	20
Immigration Commissioner Decries ECOWAS Protocol (John Lloyd DAILY STAR, 2 Oct 86).....	21
Businesses Threaten Closure Due To Lower Basic Commodity Prices (D. Emmanuel Nah; DAILY STAR, 26 Sep 86).....	22
Investment Commission Verifies Foreign Investment Contracts (Nyenati Allison; DAILY OBSERVER, 7 Oct 86).....	23
JFK Medical Center Retrenchments (DAILY OBSERVER, 20 Oct, 30 Sep 86; NEW LIBERIAN, 9 Oct 86).....	24
Police Remove Protesting Workers	24
Checks Being Disbursed	25
Doe Intervenes, Reinstates Workers, by Joseph Teh	25
University of Liberia Teacher's Strike (DAILY OBSERVER, 1, 8 Oct 86; THE MIRROR, 2 Oct 86).....	26
Slow Down Turns to Strike, by John F. Lloyd	26
Partial Arrears Payment, Slowdown, by Kolec Ed Jessey	27
Student Groups Intervene, Classes Resume	28
NDPL Task Force Defended, Charged (THE MIRROR, 22 Sep 86; DAILY STAR, 25 Sep 86).....	29
Vice Chairman on Membership, Body	29
Members Said To Quit Force	29
Student Groups Protest Tuition Hikes (DAILY OBSERVER, 26 Sep, 2 Oct 86).....	31
Student Integration Movement Objects, by John Lloyd	31
Student Party Begs Reconsideration	31
Briefs	
Death Penalty for Armed Robbery	32
New Airport Security Chief	32

## NIGERIA

Akinyemi Cited on Israel, Other Foreign Policy Issues (Lagos Domestic Service, 7 Nov 86).....	33
AFRC Wranglings: Promotions, Demotions, Shake Ups (AFRICA CONFIDENTIAL, 15 Oct 86).....	34



## ZIMBABWE

First Documentation of Beira Corridor Project Released (THE FINANCIAL GAZETTE, 10 Oct 86).....	37
Army Tactical Trainer System Unveiled (Willie Zweni; THE HERALD, 18 Oct 86).....	39
Army's Command, Staff Course Opens (THE HERALD, 18 Oct 86).....	40
6 Brigade Training Set for January (THE HERALD, 18 Oct 86).....	41

## SOUTH AFRICA

### AFRIKANER/GOVERNMENT

De Beer Discusses Black Education Crisis (Sam de Beer Interview; THE STAR, 24 Oct 86).....	42
Police Saluted for Bravery, Loyalty (THE STAR, 31 Oct 86).....	43
First Indian, Colored Women Recruited for Navy (POST NATAL, 29 Oct-1 Nov 86).....	44
Role of Navigator in SAAF Explained (AD ASTRA, Oct 86).....	45
Rolls Royce Griffon MK 57 Engine Displayed at Air Depot (Jonathan Cleland; AD ASTRA, Oct 86).....	47
Briefs AWB Feeding Plan Underway	48

### BLACKS

Security Measures for Port Elizabeth Townships (THE NEW NATION, 23 Oct-5 Nov 86).....	49
Urgency of Black Property Right Stressed (Sol Makgabutlane; THE STAR, 30 Oct 86).....	50
Township Developers No Longer Need Ministerial Approval (THE STAR, 30 Oct 86).....	51
Some Members of Special Constable Force Allegedly Forced Into Job (GRASS ROOTS, Oct 86).....	52

Victoria West Youth Congress Discusses Problems of Town (GRASS ROOTS, Oct 86).....	53
COSATU Union for Domestic Workers (THE NEW NATION, 23 Oct-5 Nov 86).....	54
Azaso Criticizes Opponents of Academic Boycotts (THE STAR, 27 Oct 86).....	55
SOCIOPOLITICAL/OTHER	
Boesak Says Nation's Press Must Take Risks (THE STAR, 29 Oct 86).....	56
Saths Cooper Discusses Departure for U.S. (Saths Cooper Interview; POST NATAL, 29 Oct-1 Nov 86)....	57
Muslim Leader Gives Views of Libya, Qadhdhafi After Visit (GRASS ROOTS, Oct 86).....	60
Muslim Leader Speaks at Call of Islam Meeting in Cape Town (Jean Le May; THE WEEKLY MAIL, 31 Oct-6 Nov 86).....	61
ECONOMIC	
Document Outlines Views on Economic Strategy (SAPA, 7 Nov 86).....	62
Official Outlines Economic Plan (SAPA, 5 Nov 86).....	64
Press Conference After Business Summit Reported (SAPA, 7 Nov 86).....	68
ASSOCOM, FCI Comment on Business Conference (SAPA, 7 Nov 86).....	70
Uncertainty, Unrest Blamed for Economic Downturn (SAPA, 7 Nov 86).....	71
Minister Speaks on Privatization, Deregulation (SAPA, 7 Nov 86).....	73
Conference Document on Privatization Plan (SAPA, 7 Nov 86).....	75
Report Notes Negative Impact Potential of Wage Parity (SAPA, 3 Nov 86).....	79
State Spending Well Over Budget (Mick Collins; BUSINESS DAY, 20 Oct 86).....	80

Sharp Rise in Spending By Consumers (Gerald Prosalendis; BUSINESS DAY, 29 Oct 86).....	81
Government Workers' Earnings Soar (Gerald Reilly; BUSINESS DAY, 20 Oct 86).....	83
Firms Reluctant To Decentralize as Economy Slows Growth (David Furlonger; BUSINESS DAY, 31 Oct 86).....	84
Rand Mines Lifts Profits to New Record (Cherilyn Ireton; BUSINESS DAY, 31 Oct 86).....	85
Debts Being Paid Off at Increasing Rate (Gerald Reilly; BUSINESS DAY, 31 Oct 86).....	86
Drought Aggravates Acute Water Shortage (BUSINESS DAY, 29 Oct 86).....	87
Unrest Brings Educators Into CBD (Jane Strachan; BUSINESS DAY, 20 Oct 86).....	88
Water Project Brings Boom to Free State Border Towns (Mick Collins; BUSINESS DAY, 27 Oct 86).....	89
New Guidelines for Fishing Industry (Chris Cairncross; BUSINESS DAY, 27 Oct 86).....	91
Water Supplies Face Huge Demands (Sue Leeman; THE STAR, 1 Nov 86).....	92
Advice Office Forum Speaks Out on Behalf of Unemployed (GRASS ROOTS, Oct 86).....	93
New Boreholes Sunk Closing 'Potchefstroom Gap' (John Orpen; THE SUNDAY STAR, 19 Oct 86).....	95
Manganese Sintering Plant at Mamatwan (THE SUNDAY STAR, 19 Oct 86).....	96
Briefs	
Costly Loans for Subsidiaries	97
Trade Balance Figures	97
Export Performance	98
Exports to Israel Rise 70 Percent	98
Leeuwfontein To Double Coal Production	98
Coal Exports Meet Target	98

/12223

POSITIVE COMMENTS ON VISIT TO SAVIMBI'S UNITA

Joao Soares Interview

Lisbon TEMPO in Portuguese 11 Sep 86 p 8

[Interview with publisher Joao Soares by Carlos Pires; date and place not given; first paragraph is TEMPO introduction]

[Text] Joao Soares, the son of the president of the republic, was one of the most significantly conspicuous guests at the 6th UNITA [National Union for the Total Independence of Angola] Congress, which was held in Angolan territory in August and from which he returned last Saturday. According to what he himself told TEMPO, "there was no reason to reject Jonas Savimbi's invitation," which he accepted in his capacity as the first publisher of one of Savimbi's books in Portugal. "I would not want anyone at all, including my father, to be held responsible for an attitude that is strictly my own," he told us. In the opinion of Joao Soares, "the reality of UNITA is very poorly known in Portugal, and it has been the target of a campaign of slander and propaganda that has completely deceived public opinion."

TEMPO: Why did you agree to attend the 6th UNITA Congress?

Joao Soares: I feel that there was no reason to reject Jonas Savimbi's invitation to visit the zone controlled by UNITA in the interior of Angola. Jonas Savimbi is an Angolan politician; he invited me to go there because I was the first to publish a book of his in Portugal, and so there was no reason to reject his invitation.

TEMPO: What was your first impression on encountering the reality of UNITA?

Joao Soares: Frankly, it was one of amazement. Amazement at what has been achieved there--amazement and admiration for the work that has been achieved there in so short a time.

The reality of UNITA is very poorly known in Portugal, it has been the target of a campaign of slander and propaganda that has completely deceived public opinion, and I myself admit that to some extent, I was quite poorly informed about what had happened and is happening in Angola.

TEMPO: Is UNITA accepted by the population it controls? Is it in fact established and organized?

Joao Soares: On the basis of what I was able to observe, I would not be truthful if I did not say that UNITA is extremely well organized and that it has cadres who are solid, intelligent, capable, and trained politically and militarily. It was in fact a very big surprise for me, and it has a leader who is perhaps one of the greatest African leaders of our time. I have not the slightest hesitation in saying it. He is a very cultured man, well educated and well informed, extremely intelligent, and an uncommon speaker.

TEMPO: Were there many foreign guests?

Joao Soares: When we arrived, the congress was practically over. A few foreign delegates had been at the opening session, along with several reporters. Besides them, there were the chairman of Centrist Youth, Manuel Monteiro, a friend of mine named Duarte Teives, and Marise de Oliveira from Nova Nordica, who, like me, had been invited because she is one of Savimbi's publishers.

TEMPO: Do you intend to publish any more books about Jonas Savimbi or UNITA?

Joao Soares: There are no specific plans at the moment, but if the opportunity arises, I will not shy away from doing it.

TEMPO: Didn't the fact that Joao Soares is the son of the president of the republic cause you any problems when it came to accepting UNITA's invitation?

Joao Soares: Well, I must tell you that I did not accept the first invitation, which was issued a week before I left, and the reason was precisely that I did not want to give cause for any speculation or confusion. Obviously, I would not want anyone at all, including my father, to be held responsible for a strictly personal attitude that was entirely up to me.

TEMPO: From what you were able to observe, is the population controlled by UNITA experiencing shortages or not?

Joao Soares: I can tell you I know something about the realities of Africa and especially the Portuguese-speaking countries. I was in Portuguese Guinea and Sao Tome after decolonization and when my father was deported there, and I have also been to Luanda. What I saw in the vast zone controlled by UNITA was enough to permit me to say, as far as the population is concerned, that the situation is not the same in any other Portuguese-speaking African country. The people were wearing shoes, they were adequately dressed and, from what I could see, were not having any problems with food. As a matter of fact, judging from the farming operations we saw, it can be confirmed that in the areas it controls, UNITA is managing to ensure levels of self-supply for the population that are extremely reasonable by African standards.

TEMPO: On the basis of your brief experience in Angolan territory, what is your opinion concerning the future of that country?

Joao Soares: There is an undeniable reality which became very clear at the congress, and it is that it is impossible for the Russians, the Cubans, and the MPLA [Popular Movement for the Liberation of Angola], which brought them into Angola, to eliminate UNITA militarily. UNITA has established itself and now controls a substantial part of Angolan territory. In those circumstances, there will be no solution except a negotiated one, which necessarily means the withdrawal of foreign troops: Russian, Cuban, and also South African if there are any.

TEMPO: One of Jonas Savimbi's objectives is to hold elections in Angola. Does that seem possible to you, or is it utopian?

Joao Soares: I am not an expert on African affairs, but why should elections not be possible in Angola if they were, for example, in former Rhodesia? For that matter, Portugal is bound by the Alvor Accords to hold elections in Angola to determine which of the three Angolan movements that fought against Portuguese colonialism should exercise power in that country in a democratic way.

TEMPO: Do you feel it is reasonable to call UNITA a "puppet group," which is what it is usually called by the government of Jose Eduardo Santos?

Joao Soares: Not at all! I feel that it would not enter anyone's head, especially after observing what UNITA is, to say that UNITA is a puppet group in the service of South Africa or anybody else.

TEMPO: What is the UNITA Army's state of mind toward the MPLA? Could it be said that hatred is being stirred up?

Joao Soares: That is perhaps the thing that surprised me most during my brief visit to Angolan territory. It would be natural to find a lot of propaganda and an atmosphere of hate toward the MPLA, but frankly, I did not observe anything like that. Quite the contrary. The propaganda is directed against the presence of foreign forces, not against the MPLA. UNITA feels that regardless of the mistakes that may have been made by the MPLA's current leadership, it is going to be essential to sit down at the same table to discuss the future of Angola.

#### CDS Deputy on UNITA

Lisbon O DIABO in Portuguese 16 Sep 86 p 17

[Report on interview with Manuel Monteiro, CDS deputy and chairman of Centrist Youth, by J.L.; date and place not given]

[Text] "According to its chairman, Jonas Savimbi, UNITA wants and desires peace, but for peace to be possible, it is important for the Russians and Cubans to leave Angolan soil. Incidentally, the 40,000 Cubans in Angola (more than the Portuguese Army had there during the war in that former overseas province) are pillaging villages and raping women while the Luanda government stands passively by." That is what we were told by Manuel Monteiro, deputy

and chairman of Centrist Youth, concerning the visit he recently made to that African nationalist movement's base in Jamba.

Having attended the 6th UNITA Congress at UNITA's invitation as part of a group of Portuguese guests, Manuel Monteiro was able to get a close look at the reality of the war pitting Savimbi's movement against the communist forces of FAPLA [People's Armed Forces for the Liberation of Angola] (MPLA) and the Cubans.

Manuel Monteiro emphasized to us: "One Cuban who had surrendered to UNITA when he was about 17 years of age (he is probably about 21 years old now) told us that he had been told in Cuba that he was going to Angola to fight against South Africa. But he encountered a very different reality later, when he found that his fighting was directed exclusively against UNITA.

"Incidentally, that is not the only peculiarity to be noted in this conflict: SWAPO [South-West African People's Organization] and the ANC [African National Congress], which have 'stretched' their main bases into northern Angola (it makes one want to ask if that is where they encounter the South Africans) often serve as the 'advance guard' for the MPLA, according to what I was told by UNITA officials. UNITA's leaders went so far as to say that SWAPO soldiers disguised in their [UNITA's] uniforms enter villages to steal, trying in that way to instigate revolt against Jonas Savimbi's movement."

Manuel Monteiro also told us that UNITA now enjoys solid U.S. arms support and has been progressively establishing itself in Angola, as is shown both by the existing bases and by the untold quantity of Russian war materiel which is captured and later used in the struggle against the MPLA.

#### Presence of Rosa Coutinho's Mercenaries

Another aspect conveyed to Manuel Monteiro by UNITA's leaders has to do with the presence on Angolan soil of Portuguese mercenaries in the service of the MPLA.

On that subject, the CDS [Social Democratic Center Party] leader told us:

"A high official in UNITA, General Wambo, told me that those mercenaries had been hired in Portugal by the regrettably well-known Rosa Coutinho and that their chief purpose is to provide military training for FAPLA's soldiers. Incidentally, according to UNITA leaders, those 'soldiers'--most of them 14, 15, or 16 years of age--are sent to the front with only 2 weeks of military training (Savimbi's movement gives its recruits about 6 months of intensive training)."

At the Jamba base, Manuel Monteiro also visited hospitals, production units, and schools, where he noted that the instruction is given in Portuguese.

He engaged in significant dialogue with a young doctor who, after being connected with the MPLA, now carries on his profession at that UNITA military base:



"He told me about the unique way in which the MPLA treats its war wounded: since it has little time in which to treat them, certain slight injuries to legs or arms are treated by amputation when the victims are not simply abandoned to their fate. The same doctor told me it was imperative for a delegation upholding human rights or even the International Red Cross to check out the conditions in which the MPLA's wounded are 'treated,' because the best treatment is channeled to the Russians and Cubans."

Manuel Monteiro's final impression of his 20-day visit to Angolan territory controlled by UNITA is that "the Portuguese Government cannot continue to ignore the strength and established presence that Jonas Savimbi's movement now has in Angola."

The CDS deputy added: "Ignoring UNITA is not the best way to protect Portuguese interests and the interests of our compatriots who have returned from Angola. It did not ask us to support it publicly; it only wanted Portugal and the Portuguese not to forget that Angola is at war and that its young people are entitled to a better future."

#### Savimbi Message to Youth

Lisbon O DIA in Portuguese 11 Sep 86 p 4

[Excerpt] Almost coinciding with Prime Minister Cavaco Silva's statements in Washington concerning support for UNITA, Centrist Youth held a meeting with reporters yesterday to present them with a message sent by UNITA leader Jonas Savimbi to Portuguese young people.

The message reads as follows:

"This war is leading Angolan young people to their deaths. The Russians and Cubans who are in Angola are using their lives to rob and mistreat our people.

"Portuguese young people, who are living in peace and freedom, cannot remain silent in the face of this situation. Our young people want to live in democracy, freedom, and harmony. Our young people who are combating communist tyranny and dictatorship by giving up their lives for a free Angolan fatherland are hoping for solidarity and support from Portuguese young people.

"We want peace, and we want our young people to have the future they deserve.

"You who have freedom and peace must raise your voices to demand that the Russians and Cubans leave our fatherland so that all of us can live hand in hand."

The chairman of Centrist Youth, Manuel Monteiro, has just returned from Angola, where, at UNITA's invitation, he attended the congress held by Jonas Savimbi's movement and visited several bases in Angolan territory. As is known, the congress was held in the town of Jamba, which UNITA considers "the provisional capital of Angola."



Expressing the position of Centrist Youth--an organization which is autonomous but not independent of the CDS and which therefore shares the views held by that party's leadership--Manuel Monteiro emphasized the West's responsibility in the face of the communist offensive against southern Africa. That offensive is made obvious, incidentally, by the presence of Cuban troops and countless "advisers" from every Eastern country.

In view of that, the chairman of Centrist Youth criticized the statements made the day before yesterday by Cavaco Silva in favor of cutting off the support that the West has been giving UNITA.

On the other hand, Manuel Monteiro expressed his confidence in the possibility that Portuguese would emigrate to Angola if law and order were restored to that country and if the conditions were created for a government that would include participation by UNITA.

Lastly, the leader of the CDS young people's group analyzed the situation in South Africa, emphasizing the level-headed approach that Portugal must take because of the approximately 700,000 Portuguese residing in that country.

11798

CSO: 3542/5

## CAVACO SILVA'S RELUCTANCE TO AID UNITA CREATES PROTEST

### Cavaco Silva's Attitude 'Perplexing'

Lisbon O DIABO in Portuguese 16 Sep 86 p 1

[Commentary by Vera Lagoa: "September of My Discontent"]

[Excerpts] I say "September of my discontent" because I have actually met people who are not discontented. Surprising but true.

At this moment in September, at this moment at which I am writing--on this Sunday morning--a very fine rain is falling, and it is even dampening my heart. Because my heart is sad. It is discontented.

There is a very fine rain and a gray sky on what was supposed to be a morning with radiant sunshine. But no. That very fine rain and that gray sky can be and are being gotten over.

What cannot be gotten over is the anguish caused by certain statements which I do not understand (does anyone understand them?) and which were made by a prime minister whom I support (critically). Not his statements concerning Timor, because they have already been denied, but those concerning the request or suggestion that support--extremely important support in this case--be withdrawn from UNITA.

Is Cavaco Silva trying to insinuate that if UNITA disappears the Cubans will disappear? Don't make me laugh. Those Cubans will never leave Angola. But if they ever do, it will be precisely because of UNITA's strength and the persistence and courage of Savimbi (to whom I pay tribute for his patriotism). That persistence and courage can continue to manifest themselves only with extremely strong support in the form of financing and weapons. Sa Carneiro--since there is so much insistence, sometimes hypocritical, on his example--always felt that way.

I have no doubt that the United States is supporting Savimbi. Perhaps that makes up for the fact that at one point it was at Luanda's gates but then withdrew. The matter is beyond me. But even today I am ashamed at the way in which the Alvor Accord has been "carried out."

Savimbi says that the matter will be resolved among the Angolans. Very good. That was what the above-mentioned accord said. Fidel intends to keep the Cubans in Angola and said so just recently, which leaves me even more perplexed by Cavaco Silva's (extremely confused) attitude. That is the reason for my discontent.

The rain is continuing to sadden me. Doubts are continuing to sadden Portugal. As the poet would say.

My heart is discontented.

### 'Realpolitik' Seen Risky

Lisbon SEMANARIO in Portuguese 13 Sep 86 p 16

[Commentary by Jose Miguel Judice: "Between Jamba and Luanda"]

[Excerpt] It is true that Cavaco Silva is little more than a novice in matters of international relations and such things, and it is true that no one who wants to tell the truth can say that he is surrounded by renowned and experienced specialists in that field. This is not meant to belittle the intellectual and human qualities (which are not the same thing as experience and knowledge) of the team in charge of foreign affairs, a team which, by the way, I not only admire but also esteem. No one will be surprised, therefore, to see a few errors being committed, a few blunders appearing in their speeches, or a degree of naiveness sometimes appearing in their actions. But for one thing, an intelligent man learns fast, and for another, Cavaco Silva is prime minister for reasons of domestic politics, and in that context, foreign policy is, from the standpoint of the reasons why he is leader, a comparatively secondary field.

That being said, it is worthwhile to bring up the question of the statements concerning UNITA and Renamo [Mozambique National Resistance] which have been attributed to him in the media and which, objectively, revealed a veiled hostility toward the guerrilla movements in question and an alignment in his talks with the U.S. administration--based on a view of international politics that is not "realistic"--with defense of the thesis advanced by the petroleum lobby and the Luanda government, which says that when all is said and done, UNITA is an obstacle to "peace" and that stability in the area does not exist because support for UNITA is preventing its annihilation. The media may be reporting his words incorrectly, but it is no secret that the official Portuguese position has changed under the current government. Previously, it was Sa Carneiro's strategy that prevailed (privileged and cordial political relations with UNITA, neutrality on the part of the Portuguese state, and a government-to-government relationship governed by international law with the authorities in Luanda). With Pires de Miranda, the MPLA [Popular Movement for the Liberation of Angola] came to be seen politically as the natural interlocutor, limited only by the fact that it had not yet freed itself of Soviet-Cuban protection--which would be much reduced if UNITA did not exist.

Because of the "arcana" it possesses, international politics is by nature a secretive or discreet area. It may be that domestic public opinion is unaware of factors which, from the standpoint of national interest, justify or even require a tactical or strategic shift. It may even be that the idea that nothing in the Angolan struggle is going to change over the next few years justifies a rapprochement with the MPLA, on which, after all, the big contracts governing exports, investment, or technology transfer depend.

The only thing is that a few doubts and a few certainties must manifestly be considered in this connection. To exemplify, some of the doubts are these: does Portugal's negotiating power with respect to Angola increase or decrease as a result of "alignment" with the government in Luanda? Is it true that "the pressures being exerted on the MPLA by UNITA" are having a moderating effect on Soviet influence--whether seriously or not--or, on the contrary, can it be that if there were no guerrilla warfare, Angola would be a kind of Ivory Coast? Does Portugal's national interest require relations with whoever is in power in Luanda or require that we support the MPLA? In other words, is Portugal's foreign policy in relation to Angola a matter of "Realpolitik" or a policy based on ideological vectors?

There are also a number of certainties which seem undeniable. For good and for evil, the PSD [Social Democratic Party] was once the party enjoying privileged relations with UNITA, but it is now losing that status to the CDS [Social Democratic Center Party] and the PS [Socialist Party]. Portuguese voters with ties in Africa, who carry decisive weight in domestic political solutions, were showing a significant tendency to vote for the PSD after again taking refuge in abstention following the death of Sa Carneiro or, in some cases, supporting the CDS. Whether rightly or wrongly, those voters are strongly opposed to the MPLA and FRELIMO [Mozambique Liberation Front], and it is no accident that the first forceful criticism of Cavaco Silva that I have heard on that subject over the past few months has come from areas that vote for the PSD.

Beyond those doubts and certainties, one thing seems certain. One of the basic reasons that could justify the Portuguese Government's apparent shift in tactics or strategy is the idea that a neutral position on the Angolan internal struggle has the effect of harming Portuguese economic interests and even its interest in protecting Portuguese who are still working in the area controlled by the MPLA. That is why the advocates of a rapprochement with Luanda usually claim that the opposite thesis is pure idealism, that it is expensive, and that a small country cannot afford to implement it on the external level, especially when dealing with issues and areas that are a priority in its policy.

Let it be admitted that that is true, at least as a hypothesis for argument. And if it is true, the logical consequence is that a political rapprochement with the governments in Angola and Mozambique will have the effect, first of all, of turning Portugal into a privileged interlocutor for those governments and turning Portuguese firms into obvious and favored partners in economic relations, not to mention an immediate end to the generally unpunished and tolerated violations of the most basic human rights of Portuguese working in

those countries. So often those workers are arrested and mistreated, and no one hears even the vehement protests by Portuguese authorities that would be justified in such cases.

The fact is that a curious feature exists in relation to the former Portuguese territories in Africa. The stand on UNITA that has been adopted by such countries as France or even the United States is such that Savimbi has even been received as a chief of state, but that has not prevented the Luanda government from wanting closer diplomatic and economic ties. But in the case of Portugal, there are threats one after the other and intensifying boycotts as part of what some people say is an unconscious attempt by Angola to transform Portugal into its colony.

Like everything else, Realpolitik has its advantages and its disadvantages, especially when taken to extremes. The minimum requirement is that it should at least have positive results. And quick ones.

11798

CSO: 3542/7

## DIAMANG MANAGER DISCUSSES COMPANY'S CONDITION, DISSOLUTION

Luanda JORNAL DE ANGOLA in Portuguese 29 Aug 86 p 8

[Interview with Manuel Pereira da Gama Junior, general manager of ENDIAMA, by ANGOP; date and place not specified]

[Text] LUANDA--Manuel Pereira da Gama Junior, general manager of the Angolan Diamond Company (ENDIAMA), a state-owned concern, recently granted ANGOP an interview, in which he discussed DIAMANG's current situation and other issues related to diamond exploration in Angola.

The interview is given below in full:

[Question] What factors brought about DIAMANG's dissolution?

[Answer] Continued negative results in addition to accumulated losses from fiscal 1982, 1983, 1984 and 1985, a marked decrease in diamond production, a steady decline of the average price per carat from \$170 in 1979 to \$40 in 1985 and a corresponding decline in gross revenues, coupled with a largely fixed cost structure for mining operations have resulted in an insolvent condition for DIAMANG, SARL, since 1983. This critical financial situation, which has been totally financed by domestic and foreign loans and subsidies from the national budget (the National Bank of Angola is the largest lender), forced the government of the People's Republic of Angola to dissolve and liquidate DIAMANG, due to its technical and financial inability to carry out its corporate purpose.

Production and sales statistics for 1980-1985 are illustrative:

YEAR	PLANNED PRODUCTION	ACTUAL PRODUCTION	VALUE IN \$	%	AVERAGE PRICE	%
1980	1,400,200	1,479,139	233,922,215	100	158.00	100
1984	1,500,202	902,426	57,976,431	25	62.00	39
1985	1,567,234	713,643	31,913,354	14	45.00	28

As can be seen, 1985 gross receipts were 14 percent of DIAMANG's 1980 revenues, i.e., an 86 percent drop, and the selling price per carat fell by 72 percent over the same period.

[Question] How did foreign stockholders react to this decision?

[Answer] The foreign stockholders reacted with considerable understanding and they accept the decision made by the government of the People's Republic of Angola, judging by the fact that none of them were willing to try to re-open DIAMANG, despite several appeals made to them.

The foreign stockholders' position was unequivocally maintained and recorded at a meeting of the board of directors held on 22 October, 1985, in London, where the shareholders, when required to back their guarantees to support DIAMANG's continued operations by contributing technical and technological means as required under Clause 11 of the partnership contract, placed the responsibility for solving problems squarely on the government of the People's Republic of Angola, mentioning long-standing security problems in the area and the company's failure to bring costs in line with earnings.

It should also be pointed out that the motion to discuss and vote on DIAMANG's dissolution and liquidation at the general shareholders' meeting was approved unanimously after the stockholders reached a consensus.

[Question] How had the stockholders been taking the company's sharply falling production over the last few years?

[Answer] The foreign stockholders repeatedly recommended improving security and defense on DIAMANG's concessions as an absolutely imperative requirement for successful mining operations. As is well known, DIAMANG has been a target for UNITA attacks and destructive actions since 1983, and this has greatly weakened the company and crippled its productivity and profitability.

[Question] Would it be possible to list the shareholders?

[Answer] The shareholders of DIAMANG, SARL, are as follows:

INTEREST	SHAREHOLDER	VALUE IN KWANZAS
72.21%	ENDIAMA-UEE	1,335,794
17.44%	Societe d'Entreprise et d'Investiments (SIBEKA)	301,737
1.67%	Diamond Corporation, Ltd.	28,975
	John S.G. Memorial Foundation	11,014
1.52%	Solomon R. Guggenheim Foundation	12,716
	Daniel F. Guggenheim Foundation	2,617
0.63%	Pacific T. Consolidated Corporation	10,538
1.11%	Morgan Guaranty Trust Company	19,289
	Societes des Banques Suisses	1,955
0.42%	Swiss Bank Corporation	1,320
	Compagnie de Gestion et de Banque	4,125

[Question] This situation must have had an impact on the relationship between ENDIAMA and De Beers, since the latter is the world's largest diamond mining and trading consortium. If this impact has been negative, wouldn't De Beers be in a position to blackmail ENDIAMA?

[Answer] As can be seen, De Beers, through its affiliate, Diamond Corporation Ltd., in terms of interest in DIAMANG's corporate capital, was one of DIAMANG's smallest stockholders. Its interest was a negligible 1.67 percent of DIAMANG's

corporate capital, i.e., 28,975 shares worth 500.00 kwanzas each for a total value of 14,487,500.00 kwanzas out of a total corporate capital of 865 million kwanzas.

As a shareholder, then, the interests of Diamond Corporation Ltd., the De Beers subsidiary, in DIAMANG were not greatly affected. If the cessation of MATS' Angolan operations (another De Beers subsidiary) is also taken into account, it must be pointed out that it did so for reasons solely attributable to MATS, which unilaterally rescinded its mining operations contract on 31 December, 1985, which provided for diamond exploration services for DIAMANG. I take this opportunity to mention that Diamond Corporation Ltd. representatives, following DIAMANG's dissolution, made known their desire to cooperate with the People's Republic of Angola in a feasibility study for developing kimberlite deposits and marketing our diamond production, which was approved in principle by authorities of the People's Republic of Angola.

[Question] Before Angola's independence, DIAMANG was often called a state within a state, a fact which indicates the company's socioeconomic importance to the province at that time. What importance does ENDIAMA (formerly DIAMANG) have today for the socioeconomic activities of Luanda-Norte Province in particular and for the country in general, if the company is now losing money?

[Answer] The former DIAMANG company was and still is the largest mining complex in Africa by size of mining concessions held, almost all of which are in Luanda-Norte Province. It is still important for mining auxiliary and support services, especially in the areas of metalworking and the management of industrial warehouses, food stores and various farming and livestock facilities and professional training.

It is the largest employer, with over 20,000 workers and 15,000 dependents.

Its assets comprise a small fleet of aircraft, including three fixed-wing planes and five helicopters to provide transportation between divisions, landing strips (the Dundo Airport is open 24 hours a day), incorporated company towns (Dundo, Lucapa, Andrada, Cafunfo, Calonda, Maludi, Cassanguidi and Luxilo), all of which have municipal drinking water systems and electricity generated by the Luachimo Dam hydroelectric plant, which also supplies a large part of the province.

The area still holds sizeable primary and secondary deposits, which are rich and contain an estimated 80-90 percent small and large gems.

We can thus say with well-founded optimism that the future of the People's Republic of Angola as a diamond producing country is quite promising, i.e., ENDIAMA-UEE has the important mission of contributing decisively to making diamond operations important again and thus contributing to the socioeconomic development of Luanda-Norte and the country.

[Question] How should ENDIAMA direct its efforts?

[Answer] ENDIAMA should direct its efforts to try to increase current diamond reserves through a large research, exploration, general prospecting and evaluation program in order to continue operations on as profitable a basis as possible and draw up plans to increase production levels substantially under a



cooperative arrangement with carefully selected partners possessing the technical and financial resources required.

It is thus imperative to provide protection for exploration and geological operations, using an industrial security corps appropriate to today's circumstances, which is characterized by a high volume of illicit traffic in diamonds. In addition, the defense capability of Luanda-Norte's mining area should be reinforced.

[Question] Why did DIAMANG rescind its contract with MATS?

[Answer] DIAMANG did not terminate any contract with MATS. On 31 December, 1985, MATS, as a simple contractor for DIAMANG, unilaterally terminated its mining operations contract as mentioned earlier in my reply to your fifth question. This contract had been signed in 1981.

[Question] How will ENDIAMA approach other operators now? Is there already a new contract with one of the new potential operators?

[Answer] ENDIAMA-UEE, in accordance with the principles approved by higher government authorities of the People's Republic of Angola, will negotiate future contracts with other entities under the provision that all investment required to perform the contract (prospecting, research, development and mining) will be made by foreign partners.

Under this operating arrangement, the risk for unsuccessful prospecting and exploration will be borne in whole by foreign companies over three to five years from the beginning of operations. In the absence of positive results, foreign investors will not recoup expenses incurred.

If positive, results will be divided among the national company and the foreign companies according to a percentage arrangement to be negotiated in the contract.

All property acquired by the foreign investor for use in operations shall become the property of the national company upon arrival in Angola.

Negotiations are under way to resume production in the Cuango Mining Division and operations are scheduled to start up shortly.

[Question] Have security arrangements now been made to ensure normal mining exploration operations?

[Answer] The government of the People's Republic of Angola has made the effort necessary to provide the mining areas in Luanda-Norte with defense materiel and guarantee security, without which the entire diamond development policy would suffer serious limitations in its development.

8844

CSO: 3442/26

FRG LOAN FREEZE, ON-GOING PROJECTS

Monrovia DAILY OBSERVER in English 25 Sep 86 p 8

[Article by Martin Kerkula]

[Text] The West German Government has decided to freeze "all loans to Liberia until Liberia is able to make a partial payment on its outstanding debt of about \$9 million.

The effect of this freeze which is not immediately apparent may affect one major development project, the Nimba County Rural Development Project (NCRDP). Without the German loans, plans earmarked by government to extend the project to other parts of the country will not be possible.

The reported freeze is said to be the result of Liberia's failure to service its outstanding debts on various projects including the Monrovia-Kakata Water Supply Project and the construction of a number of roads and bridges in the country.

Commendation

Meanwhile, farmers in Duoplay, Vayenglay and Senlay Towns in Gbehlay-Geh District, Upper Nimba County, have lauded the West German and Liberian Governments for establishing the NCRDP.

The farmers made the commendation when the first secretary at the German Embassy Mr Egan H. Kochanke, visited the project site Monday to acquaint himself with activities there.

The farmers noted that the NCRDP has helped to organize them into working groups known as the Farmer's Development Association (FDA), adding that it has also helped in providing various forms of technical and material assistance which have up-graded the production capacity.

Speaking earlier in Douplay, Mr Kouchanke thanked the farmers and citizens for the warm reception given him and his delegation, noting that it is the task of both Liberia and West Germany to seek the well-being of the project.

He indicated that his embassy was interested in informing the peoples of Liberia and German about the project as they look forward to seeing its success.

According to sources close to the NCRDP, Liberian staff working with the project have not been paid since last June. This is said to be prompting a setback of the extension programme of the project, NCRDP has a Liberian staff of less than 300.

#### Staff

In a press briefing in Saclepea, Mr Kochanke said, "The German Government may press the Liberian Government to fulfill its side of the project agreement."

According to the agreement establishing NCRDP, the Liberian Government is responsible for the payment of salaries for all Liberian staff, while the German Government is to provide other finances and technical assistance for the project.

Mr Kochanke was accompanied on the tour by NCRDP [word indistinct] Manager, Karl P. [name indistinct], Mr Edward N. Harris, Deputy Project Manager, Mr Holger Fraider, an Attache at the German Embassy, and other project officials.

Among the agricultural sites visited were rice farms, fish ponds, crops and hatchery nurseries. Various departments at the NCRDP Central office in Saclepea were also visited.

The NCRDP is one of several rural projects jointly financed by the German and Liberian Governments, under a technical agreement.

The project started in late 1979 as Nimba County Agricultural Project (NCADP), which concentrated only on agricultural activities including the cultivation of swamp rice and tree crops as well as improving agricultural marketing through cooperatives.

At the end of phase 1 of the project in 1983, it took on a new direction that could cater to the development of the rural inhabitants in the areas of agriculture and infrastructural developments with emphasis on self-help and low input approaches.

/9274

CSO: 3400/410

MARITIME COMMISSIONER ON CONTINUATION OF LIBERAL MARITIME POLICY

Monrovia DAILY OBSERVER in English 24 Sep 86 p 8

[Text] Liberia will continue to pursue a "liberal maritime policy" while maintaining its existing fleet of 1,763 vessels, Mr George Cooper, the new Commissioner of the Bureau of Maritime Affairs, said here yesterday.

He observed that the nation's maritime program continues to face "severe difficulties" in generating revenue and increasing the size of its fleet.

Noting that the difficulties were acute, Mr Cooper disclosed that Liberia realized a staggering \$19 million in maritime profit for the period 1984 to 1985 and that this figure further decreased by \$2 million for the period 1985 to 1986.

The new Maritime boss was addressing a press conference in Monrovia yesterday to mark the 27th celebration of World Maritime Day today and his appointment to his new post.

He noted that difficulties in generating maritime revenue had been especially sharp since 1979 for ships between 80 million and 53.9 gross tonnes.

On the Gulf War, Mr Cooper revealed that over 40 Liberian-registered tankers have been attacked since the war began--although they were operating outside the exclusion zone. He said Monrovia has protested these attacks at the United Nations and other international fora.

Earlier, the Maritime boss expressed gratitude to President Samuel Kanyon Doe, Finance Minister Robert Tubman and the Liberian Senate for his appointment.

He revealed that several Maritime Bureau executives are currently in town for talks aimed at providing "greater exposure" to Liberia's maritime program in the Far East and Europe, among other areas.

Mr George Arku, Deputy Commissioner and Counsellor at the nation's maritime office in Geneva, Switzerland.

/9274

CSO: 3400/410

DOE PLEDGES TO MAINTAIN U.S. DOLLAR

Monrovia NEW LIBERIAN in English 6 Oct 86 p 1

[Excerpt]

President Samuel Kanyon Doe has assured the business community that the United States dollar would continue to remain legal tender in Liberia, alongside the Liberian coins.

Dr. Doe gave the assurance Saturday in a statement delivered on his behalf by Vice President Dr. Harry F. Moniba at the dedicatory ceremonies of the \$2.3 million "Madame Gbeh Wreh General Market," on Water Street in Monrovia.

President Doe also assured the Liberian business community that government was doing "everything possible" to address itself to the shortage of the American dollar on the Liberian market.

The Liberian Leader

reaffirmed government's fullest protection for the business community including our partners in progress," as well as its continued commitment to the free flow of commerce and marketing in the country.

Dr. Doe noted that the economic development of Liberia was a matter of urgent concern to the Liberian Government and people and urged citizens of the country to "move resolutely" in the right direction in tackling those problems.

He reminded Liberians that it was only through unity and hard work that Liberia could achieve the kind of development necessary to improve the living standard of its citizens.

/9274

CSO: 3400/409

NEW GOVERNMENT APPOINTMENTS ANNOUNCED

Monrovia DAILY STAR in English 23 Sep 86 pp 1, 5

[Text]

With the consent of the Senate, the President, Dr. Samuel Kanyon Doe, has been pleased to make the following appointments in government.

An Executive Mansion released issued here yesterday said, those appointed are:-

Hon. Moses Elliott, Deputy Minister of Agriculture for Extension and Regional Development, Ministry of Agriculture; Hon. Henry B. Kesselly, Assistant Minister for Administration, Ministry of Rural Development; Hon. Richard Hill, Assistant Minister for Technical Services, Ministry of Rural Development; Hon. Domity Akoi,

Assistant Minister for Community Services, Ministry of Rural Development; Hon. Jehu Brandy, Assistant Minister for General Services, Ministry of Rural Development; Hon. Melvin J. Dennis, Assistant Minister for Statistics, Ministry of Labour, and Hon. Eric D. Johnson, Assistant Minister for Planning, Research and Development, Ministry of Health and Social Welfare.

Also appointed are: Hon. George B. Cooper, Commissioner of Maritime Affairs, Ministry of Finance; Hon. Luvetta Diggs, Deputy Commissioner of Maritime Affairs, Ministry of Finan-

ce; Hon. Jackson E. Doe, Deputy Director General, National Social Security & Welfare Corporation; Hon. Comfort Kcah Itoka, Assistant Director for General Administrative Services Division, Bureau of the Budget; Col. Tommy Raynes, Assistant Director-General for Radio Liberia Broadcasting System and Hon. Morris Momolu Dukuly, Assistant Director-General for News and Public Affairs, Liberia Broadcasting System.

The release further said Dr. Doe also appointed several local officials to various positions in the counties.

/9274

CSO: 3400/409

FOREIGN MINISTER REJECTS CUBAN TROOP WITHDRAWAL LINKAGE

Monrovia DAILY OBSERVER in English 7 Oct 86 p 8

[Text]

was calculated to deny the Namibian people their inalienable rights to self-determination, freedom and independence."

Dr. Blamo, who was speaking recently at the 41st regular session of the United Nations General Assembly in New York, said the Liberian Government "continues to view the question of Namibia with grave concern."

He said, "South Africa's illegal occupation of Namibia, through defiance of U.N. Resolutions and the setting-up of an interim administration, have been supported by foreign economic interests to maintain access to the resources and wealth of the territory."

The foreign minister further said, "Liberia supports a negotiated settlement in Namibia on the basis of U.N. Security Council Resolution 435 with full participation of the South West African People's Organization (SWAPO), as the sole and authentic representatives of the Namibian people." —

The Government of Liberia has "categorically" rejected the call for the withdrawal of Cuban troops as a condition for Namibia's independence.

Liberia's Foreign Minister J. Bernard Blamo said the "linkage of extraneous issues, particularly the withdrawal of Cuban troops,

/9274  
CSO: 3400/408

IMMIGRATION COMMISSIONER DECRIES ECOWAS PROTOCOL

Monrovia DAILY STAR in English 2 Oct 86 p 8

[Article by John Lloyd]

[Text]

**The free movement of citizens of ECOWAS member countries is causing a high influx of aliens into Liberia, the Commissioner of Immigration, Mr. Edwin Taye, has said.**

He said that although the free movement of these citizens is consistent with the first phase of the ECOWAS protocol, it was not in the best interest of Liberia.

Commissioner Taye noted also that the second phase of the protocol,

which gives the citizens the right to reside in member countries and establish businesses there, could not be implemented here at present until the Liberianization policy gets in full swing.

The Liberianization policy allows Liberians to get priority consideration for employment and business opportunities, among other things.

The Economic Community of West African States (ECOWAS) groups 16 West African countries into a regional economic alliance.

Commissioner Taye told the *Daily Observer* in an in-

terview that aliens reside in Liberia legally or by dubious means total almost 20,000.

He explained that on many occasions citizens of ECOWAS member states enter the country to visit, but after the stipulated 90-day period for their stay under the ECOWAS protocol, the aliens often fail to return to their countries of origin.

"Instead of declaring their intention and going through the immigration formalities, they seek refuge in the rural areas and reside

/9274

CSO: 3400/410



BUSINESSES THREATEN CLOSURE DUE TO LOWER BASIC COMMODITY PRICES

Monrovia DAILY STAR in English 26 Sep 86 pp 8, 7

[Article by D. Emmanuel Nah]

[Text]

The Business houses said government did not take into consideration the foreign exchange situation which had prompted the sharp increase in prices.

A survey conducted by our reporter on a sampling of basic commodities yesterday suggested a 10 to 24 percent reduction in the prices of such consumers items as sugar and butter. This, the business houses maintained, was causing them great losses as they were selling below their profit margins.

The businessmen noted that if the government cannot reconsider her decision to have

the prices at a balance level, they would have no other alternative but to simply have their businesses shut down.

They further said that despite the financial constraint faced by the government, the government should have examined the issues carefully before coming out with the official price list released this week by the Commerce Ministry.

When asked as to whether the five dollar coin and the previous shortage of "change" on the market could be attributed to the increase in prices, the businessmen, who are mostly Lebanese

and Indian nationals, said that the five dollar coin was mainly hampering their businesses, but added that they were not selling above their profit margins.

Meanwhile, some business houses were noticed to be temporarily closed yesterday as inspectors from the Commerce Ministry inspected prices of commodities to ensure that the new price list was adhered to.

During the process, some businessmen were forcefully changing their prices in accordance with the Ministry's approved price list.

/9274

CSO: 3400/408

## INVESTMENT COMMISSION VERIFIES FOREIGN INVESTMENT CONTRACTS

Monrovia DAILY OBSERVER in English 7 Oct 86 pp 1, 6

[Article by Nyenati Allison]

[Text]

**The National Investment Commission (NIC) says the five business firms that signed recent contracts totalling \$20 million are "authentic".**

According to a senior NIC official, the authenticity of the investments were confirmed after scrutiny by Commerce, Planning and Finance Ministries.

Other government bureaux involved in the process were the Ministry of State for Presidential Affairs and the National Investment Commission.

The source said, however, that the implementation of the con-

tracts is a decision which only the investors themselves can decide.

The NIC, the source revealed, "is not aware" of the existence of the five firms holding subsidiary companies, because "there are no records to the effect".

The Executive Director of the Gold Mining Company commenting on his investment, said his firm will be subsidised by the Zana Corporation of New York, USA.

According to him, the company has assets to the tune of \$548,514. It is 3.33 per cent Italian-owned, 3.33 per cent Ghanaian-owned, while 50 per cent is Liberian owned. The balance of 43.33 per cent belongs to an American.

He said Liberia is the "only" country in Africa in which his gold mining company, F.L.A.G., will operate. Previously, Guinea and Sierra Leone were prospective countries, "but we changed our desire because of the uncondusive invest-

ment climate in these countries".

For the Flamingo Logging Corporation which is 75 per cent Italian-owned and 25 per cent Liberian-owned, its assets total \$7,037 million.

The Timber Investment and Management Company (TIMCO) is a joint Swedish-Liberian venture with the investment capital of \$7.863 million. It has been in Liberia with a previous investment capital of \$4.3 million; however, its recent investment contract involves \$3.563 million.

The fourth investment, the Liberian Air Research Company, is 75 per cent Lebanese-owned, while the balance of 25 per cent is being left open for Liberian participation. The amount expected to be invested is \$793,775.

General Tobacco Company, the fifth investor, is 75 per cent Lebanese-owned, while 25 per cent represents Liberian share. The company has an asset of \$1.368 million.

/9274

CSO: 3400/408

## JFK MEDICAL CENTER RETRENCHMENTS

## Police Remove Protesting Workers

Monrovia DAILY OBSERVER in English 30 Sep 86 pp 1, 6

[Text]

**S**cores of retrenched workers of the John F. Kennedy Medical Center in Monrovia yesterday stormed the hospital's compound to demand three months salary arrears and other benefits.

However, the angry employees dispersed after a squad of riot police moved in on the hospital grounds.

The workers, who described the recent retrenchment exercise as "unjust", said they wanted nothing else but their salaries and other benefits including transportation allowance for the last three years, I.D. card fees refund for two years and their savings bond certificates which they were entitled to since 1981.

Speaking to the workers after an emergency meeting yesterday, the Chief Executive Officer at the center, Dr. Walter Brumskine, told the retrenched employees that they were not laid off because they had been unproductive, but because of the government mandate "that we reduce our staff".

Dr. Brumskine, who was heavily guarded by security officers, observed that J.F.K., like any other public corporation, had received a mandate to reduce its staff by 20 per cent. He added, however, that the J.F.K. management worked it out to have retrenched only 13 per cent of its employees.

He said this number affected all categories of workers — from administrators to cleaners.

He assured them that they would be given preferential consideration whenever the economy of the country improved.

Asked by the workers whether they have seen new faces in the employ of the J.F.K. since the center was short of funds, Dr. Brumskine denied knowledge of any new employment. He

added: "We will not replace anyone now".

Meanwhile, Dr. Brumskine had disclosed that employees of J.F.K. including the 300 retrenched workers will today begin receiving their July salary cheques.

On the question of when the employees' August and September salaries and benefits owed the retrenched workers would be disbursed, Dr. Brumskine declared: "I do not know when".

The management of the center has, however, assured the more than 300 workers recently laid off that whenever their salary and other benefits are ready, they will be duly informed through an announcement.

Last week the J.F.K. Management disclosed that

it was streamlining its staff because of the "shortage of funds at the hospital" and to ensure a functional institution.

At the time, Dr. Brumskine said the process would save "a sizeable portion of J.F.K.'s budget, which currently stands at a staggering \$6.7 million".

The measure, according to Dr. Brumskine, is part of the recommendation of the 1983 John Snow Commission or Study Group, which came to Liberia (through USAID) at the request of the Liberian Government to conduct a comprehensive study of the operations of the John F. Kennedy Memorial Complex.

In its report, the commission found three basic faults, leading to three major recommendations.

## Checks Being Disbursed

Monrovia DAILY OBSERVER in English 20 Oct 86 p 1

[Photo caption]

Employees of the J.F.K. Medical Center, including those retrenched recently, have begun receiving salary checks for the month of July, J.F.K. Chief Executive Officer Dr. Walter Brumskine announced here yesterday. He described conditions at the hospital as normal, adding that it currently has enough drugs, food and equipment for minimum operation. Photo above shows some J.F.K. employees encashing their July checks in Monrovia on Tuesday.

## Doe Intervenes, Reinstates Workers

Monrovia NEW LIBERIAN in English 9 Oct 86 pp 1, 6

[Article by Joseph Teh]

[Text]

President Samuel Doe yesterday revoked the J.F.K. Hospital administration's decision to retrench or retire some 300 employees of the hospital, saying that although government realizes the acute financial difficulties the hospital is facing, the retrenchment and retirement exercise was not in the interest of government and the people.

The Center recently dropped 300 of its employees for lack of funds and what the Center referred to as an "over staffing of the Center." Their decision was also based on a study conducted by a U.S.-based consultancy group which advised the hospital to cut down staff.

The hospital administration said it took the retrenchment exercise as the last alternative, which

seemingly did not save the situation.

Is there any other alternative measure to save the center from possible collapse? Not even the Executive Administrator of J.F.K. Medical Center could answer this question last night when he was contacted by telephone.

"The President has made his decision," Dr. Brumskine said. He said he did not know of any solution at the moment, except with the assistance of the President, Dr. Samuel Kanyon Doe.

For the past year and a half, the financial wounds of the Center have rapidly worsened, culminating in a series of work stoppages and go slow strikes in demand of salary arrears.

Acute drugs shortages and inadequate medical doctors have made conditions worse.

Patients are often given prescriptions to buy drugs from private drug stores because of the inadequacy of supplies at the hospital.

A senior hospital administrator has blamed the situation on the low budgetary appropriation the Center gets from the central government. But Finance Minister Robert C. Tubman has refuted such allegations, contending that the hospital should be able to generate its own operating funds while government provides subsidy of about 25 percent, of the balance of whatever the Center needs to meet its operational costs.

But hospital officials have maintained that funds generated by the hospital are reported to the finance Ministry and not to the hospital itself.

# UNIVERSITY OF LIBERIA TEACHER'S STRIKE

## Slow Down Turns To Strike

Monrovia DAILY OBSERVER in English 1 Oct 86 p 1

[Article by John F. Lloyd]

[Text]

**S**upport staff of the University of Liberia (UL) laid down their tools yesterday in a "go-slow" action demanding salary arrears and refund of insurance premiums which were allegedly never paid to the insurer.

They began their "go-slow" action early yesterday morning, but by noon it had resulted in a chain reaction affecting University instructors who also abandoned their classes. The teachers said their action was in protest against the delay in the payment of three months' salary arrears owed them by the University authority.

One instructor explained, "We are not refusing to hold classes, it is the Administration that is refusing to pay us."

### Classes

At this juncture, the President of the University, Dr. Joseph Morris, suspended classes for the rest of the day.

UL Vice President for Administration, Dr. Thomas Koon, told the *Daily*

*Observer* that the University is currently looking into the issue of the employees' insurance. Meanwhile, he added, their salaries would be paid today, Wednesday.

The support workers, who have grouped themselves into a committee of Concerned Employees of UL, were angered by the knowledge that the University authority had been deducting insurance fees from their salaries even after the insurer, the American Life Insurance Company (ALICO), informed the University last August that it was terminating the policy.

### Delinquency

The letter, dated July 15, 1986, states: "We wish to advise that due to the poor participation and delinquency

of payment of premiums on the group insurance plan instituted by ALICO, we are herewith terminating said contract effective August 15, 1986". The letter also stated that the UL ceased the payment of premiums to ALICO since April 30, 1985.

But, Dr. Thomas Koon told our reporter that ALICO has no authority to terminate the contract because "they failed to realize that a contract involves two parties". He did not explain, however, what was happening to the money which the employees and students were paying for insurance.

Meanwhile, the UL workers have vowed to intensify their "go-slow" action until their salary demands are met and their premium refunded.

## Partial Arrears Payment, Slowdown

Monrovia THE MIRROR in English 2 Oct 86 pp 1, 6

[Article by Kolec Ed Jessey

[Text]

Despite the disbursement of their July salary cheques, employees at the University of Liberia continued their workstoppage which they termed as "go-slow" yesterday.

The employees who are composed of mainly drivers and the administrative staff, on last Tuesday put down their tools in demand of salary arrears and the refund of insurance premiums which were allegedly never paid to the American Life Insurance Company (ALICO), their insurer.

Students were yesterday roaming around campus as the support staff and drivers refused to report to work and to transport the students to Fendall campus thereby disrupting classes.

However, the administration yesterday morning paid the employees their July salaries. It is not known as to whether the workers went to the bank to encash their cheques which resulted into the disruption of classes.

One employee who preferred not to be named, observed "the one month salary was too small to cater to all our needs since we are already indebted"; adding, we will continue our "go-slow" action until the administration meets up with a substantial part of our demands."

When salary is delayed, the value depreciates because you are already indebted and moreover, you will

have to buy your needs for at least the next three months when you hope to be paid" muttered one administrator. Another employee said, "the one month salary is too small."

All attempts to contact the UL administrative was to no avail as they were said to be in a meeting at the time. However, the Comptroller, Mr Francis Johnson refused to make any comment to the press, but referred our reporter to Dr. Morris, president of the University.

The employees who were also holding a meeting in the auditorium of the University refused to allow reporters in because one worker argued, "you are students of the University and not workers."

One of the concerned employees after the meeting explained that the U.L. administration has since July 1, 1976 been deducting insurance fees from the workers, even after the insurer, ALICO had terminated the University

service last August because of the administration's failure to live up to the term of the agreement.

In an interview with the President of the University, Dr Joseph Morris upon his return from Italy and the United States, Dr Morris said that due to insufficient funding of the University by the Liberian government to meet its payroll, the UL administration paid other employees from the deducted insurance fees. "This is why we are being delinquent to ALICO," Dr Morris noted.

## Student Groups Intervene, Classes Resume

Monrovia DAILY OBSERVER in English 8 Oct 86 pp 1, 6

[Text]

Academic activities at the University of Liberia returned to normal yesterday after nearly one week of crisis which hampered the smooth functioning of the nation's highest institution of learning.

Last Tuesday, classes at the university came to a standstill after the UL support staff downed their tools in demand of their salary arrears, the refund of fees deducted from their salaries for insurance by the UL Administration. The staff also demanded salary increase.

The support staff's go-slow action developed into a chain reaction with teachers abandoning their classes in support of the support staff's demands.

One lecturer told the *Daily Observer* that they were not refusing to hold classes. "It is the administration that is refusing to pay us", he said.

The support staff agreed Friday to work after what was described as "the time-

ly intervention of the Student Unification Party (SUP), the Student Integration Movement (SIM), in the interest of the UL student body." Another worker confirmed that salary arrears for July had been disbursed and hoped that the other arrears would be paid shortly.

The faculty of the University of Liberia met with the UL administration on Monday in an attempt to resolve a number of pressing issues before they resume work for the week.

The meeting reportedly ended in a deadlock.

The faculty, however, met again Wednesday and agreed to return to work.

The week-long crisis at UL has largely affected the already unstable academic calendar. Some students are apprehensive that if these numerous problems confronting the institution persist, the university may be closed temporarily until solutions are found to those problems.

/9274

CSO: 3400/414

NDPL TASK FORCE DEFENDED, CHARGED

Vice Chairman on Membership, Body

Monrovia THE MIRROR in English 22 Sep 86 pp 1, 7

[Article by D. Sonpon Weah, II]

[Text]

The Task Force of the National Democratic Party of Liberia has 37,000 members, says Mr. Wesley Tarplah, National Vice Chairman of Operation.

Mr. Tarplah made the startling revelation yesterday at a press conference held at the NDPL head office in Sinkor.

Mr. Tarpleh who rebutted an article published in the Suntimes newspaper in its Tuesday, Vol. 2 No. 35 edition captioned "The NDPL Task Force Falling Apart", said there was no confusion and corruption in the Task Force.

In the article, one Randolph Payne alleged that the force was falling apart and that the NDPL National Chairman had consumed the force funds.

He pointed out that Mr. Payne

had no authority to speak on behalf of the Task Force, adding that the executives disassociate themselves from the statement made by the Task Force National Social Secretary Mr. Payne.

He said that the National Democratic Party of Liberia (NDPL) Task Force National Executive had already recommended the suspension of Mr. Randolph Payne for making false allegations against the Task Force.

He said that the Task Force is a legitimate body in Liberia and that people should stop calling for its dissolution.

Mr. Tarpleh also appealed to the opposition parties to immediately follow the path of reconciliation, adding "we believe in peace and stability of our country".

Members Said to Quit Force

Monrovia DAILY STAR in English 25 Sep 86 pp 1, 7

[Text] Some 400 members of the Slipway branch of the National Democratic Party of Liberia's (NDPL) Task Force have expressed their intentions to pull out of the Force for what they termed as "act of vandalism" on the part of some members.



In an interview with our reporter Monday, the Chairman of the Slipway branch, Mr. Ouonsus Mars said that they have observed that the organization was not promoting nationalism in the country, instead causing confusion and chaos.

He said that it is against this background that they have decided to break away from the organization and form a part of the NDPL's Youth Wing, which they said caters to the meaningful development of the country.

Mr. Mars alleged that among other reasons for which they have decided to leave the Task Force is that "some of the members are aliens and that they continued to spoil the reputa-

tion of the organization and if we continue to group ourselves with these people, we will not be able to develop our own country."

He pointed out that it was their responsibility to unite the people in order to build a viable nation, noting that "if we continue to cause chaos and confusion, we will not build a good society for our people."

The Chairman assured the National Democratic Party of Liberia of their continuous support in the interest of the state.

/9274

CSO: 3400/413

## STUDENT GROUPS PROTEST TUITION HIKES

## Student Integration Movement Objects

Monrovia DAILY OBSERVER in English 26 Sep 86 p 6

[Article by John Lloyd]

[Text]

**The Student Integration Movement, one of two political parties at the University of Liberia, has taken serious exception to the recent 100 per cent increase in the tuition for Liberian undergraduates at the University of Liberia (UL), which takes effect first semester of academic 1987.**

In a position statement the party noted "while it is very true that the University of Liberia is plagued with serious financial problems, we as students are equally affected and therefore cannot be used or exploited in any attempt to find remedy

for the situation".

The statement continued "as children whose parents' salaries face 50 per cent cut and much delay in payment, we are convinced that the decision to increase tuition by 100 per cent is tantamount to academic strangulation and frustration at this particular point in time.

The party further expressed optimism that there are better and more effective ways through which the UL can obtain needed funds instead of a 100 per cent increase in tuition.

The statement then concluded, "government must be made to understand that

it is not prioritizing education as reflected in the recent national budget, and should therefore do the necessary adjustment".

SIM has meanwhile sent a letter to the UL administration expressing dissatisfaction over the increase. The party is also seeking audience with the UL administration to work out modalities that would alleviate the financial crisis.

For its part, when contacted, the Student Unification Party (SUP), through its leader, Kofi Woods, informed the Observer that the party will issue its objection to the tuition increase after deliberations which are in progress.

## Student Party Begg Reconsideration

Monrovia DAILY OBSERVER in English 2 Oct 86 p 3

[Text]

**The Student Unification Party (SUP) of the University of Liberia (UL) has called on the university authorities to reconsider plans for an increase in tuition for Liberian students.**

In a letter addressed to

UL President, Dr. Joseph G. Morris, a copy of which was received by this paper, the SUP said its students could not afford to underestimate the political and financial squeezes which have left most students almost penniless.

Commenting on its non-

representation on the University Council which decided the tuition increase, the SUP urged the UL Administration against the planned rise until the ULSU '86 elections are held.

This, they said, would give them the opportunity to explore alternative

sources for funds, or perhaps agree on an acceptable increase.

It may be recalled that a release issued by the university recently said tuition for Liberian students in the five undergraduate colleges at UL is being increased to \$150 as of the first academic semester next year

## BRIEFS

DEATH PENALTY FOR ARMED ROBBERY--The Liberian Senate has passed a bill amending chapters 14 and 15, as well as sub-chapter (c) of the New Penal Law of 1976, making the crimes of armed robbery, high-jacking and terrorism punishable by death. Under section 14.80 of the new Act, it is stipulated that any person convicted of terrorism shall be sentenced to death by hanging, while section 15.32 of the Act makes armed robbery a felony of the first degree, also punishable by death by hanging. A Capitol Building release issued here said section 15.33 (2) of the Act stipulates that highjacking is a felony of the first degree punishable by death by hanging. Section 15.33 (3) provides for people charged with highjacking to be tried in the courts of competent jurisdiction in Liberia. The new bill is expected to be sent to the House of Representatives for concurrence after which it shall be forwarded to the President of Liberia for executive approval, the release said. [Text] [Monrovia DAILY OBSERVER in English 26 Sep 86 p 3] /9274

NEW AIRPORT SECURITY CHIEF--Mr Spencer O. Edris has been appointed Chief of Security at the Roberts International Airport (RIA) in Margibi County. An Executive Mansion press release issued Monday said he replaces Major John Krakue who has been directed to report to the Ministry of Defense for re-assignment. No reason was given for the change. [Text] [Monrovia DAILY OBSERVER in English 2 Oct 86 p 3] /9274

CSO: 3400/407

AKINYEMI CITED ON ISRAEL, OTHER FOREIGN POLICY ISSUES

AB071915 Lagos Domestic Service in English 1800 GMT 7 Nov 86

[Excerpt] The Minister of External Affairs, Professor Bolaji Akinyemi, today in Lagos briefed newsmen on the activities of his ministry. He also focused on the principles of Nigeria's foreign policy and strategy. Correspondent Francis Ukem, who was there, now reports:

[Begin Ukem recording] The new briefing was climaxed by a question and answer session which provided newsmen an opportunity to (?press) further for more information on other vital aspects of Nigeria's foreign policy which were not effectively (?discussed) in the minister's speech. These included Nigeria's continued break of diplomatic relations with Israel, our membership of the Organization of Islamic Conference, OIC, the country's nonaligned posture, and the (?issue) of Nigeria's border with Chad. Others were the proposed establishment of medium power, the possible [words indistinct] of apartheid South African attack on Nigeria, our image abroad, and Nigeria's importance in the scheme of things in the African Continent and other international organizations, like the Nonaligned Movement.

The most prominent questions fielded by journalists were on Israel, Nigeria's member ship of the OIC, and reports of Nigeria's vulnerability to attacks by racist South Africa. On the Israeli issue, Professor Akinyemi made it clear that if Nigeria was going to reopen ties with that country, the government would inform Nigerians about it officially. He said that Nigeria was not worried about several African countries, including our neighbors, who had resumed ties with the Jewish state.

As for the issue of the OIC, Professor Akinyemi recalled that President Ibrahim Babangida had announced the establishment of a national body to protect the interests of the various religions in the country. He concluded by asking Nigerians to wait until the country received an invitation from the OIC before they begin to talk of Nigeria's membership of the organization.

The minister dismissed reports that Nigeria was vulnerable to attacks by racist South Africa, pointing out that it was all part of the propaganda to [passage indistinct]. [end recording]

/12913

CS0: 3400/394

## AFRC WRANGLINGS: PROMOTIONS, DEMOTIONS, SHAKE UPS

London AFRICA CONFIDENTIAL in English 15 Oct 86 pp 1, 2

[Text]

Satisfaction in Lagos at the relatively smooth transition to the Second-tier foreign exchange mechanism (SFEM) has been shattered by a sudden and dramatic demonstration of the rifts in the Armed Forces Ruling Council (AFRC) led by General Ibrahim Babangida. The dismissal of Commodore Ebitu Oko Ukiwe, the former Chief of General Staff and thus the number two in the political hierarchy has been widely interpreted as proof that Ukiwe was opposed to the SFEM system, and had paid the price for being on the wrong side of the argument. But sources close to Dodan Barracks, the military headquarters, suggest other, more personal reasons for Ukiwe's loss of position.

Ukiwe had been in trouble at the end of September because of an argument over protocol and precedence at the 1 October celebrations at the capital, Abuja. To his surprise, Ukiwe discovered that last minute changes had pushed him out of his place next to the President and assigned him the fifth or seventh place on the grandstand. Babangida had reverted to using a strictly military seniority order, despite Ukiwe's argument that the 26th independence celebrations were a political event and that changing the protocol would perplex and, worse, intrigue, the foreign delegations which were bound to be present. On 28 September, the matter seemed to have been settled by compromise. The official version was that security demanded that the regime's two most senior figures not be together in the one place at the one time. Ukiwe eventually saw the President off from Ikeja airport and the smiles on this occasion seemed to indicate the quarrel was over.

But a week later, at an AFRC meeting, which had already gone on for six hours, Ukiwe was asked to leave the room while his colleagues discussed his 'indiscipline', specifically his refusal to be present at

Abuja. Since the AFRC does not, by tradition, vote on its deliberations, Ukiwe's dismissal would seem to have been unanimously approved, and his humiliation was completed by the decision to promote his arch-rival in the Navy, Rear Admiral Augustus (Gus) Aikhomu from chief of naval staff to CGS. Aikhomu, one of the few senior naval officers to have risen from the ranks, was passed over on 27 August this year when Ukiwe got the top staff job. The two men are entirely dissimilar, Aikhomu is quiet and a dull speaker, while even Ukiwe's friends testify to his flamboyant character, and indeed abrasive personality.

Ukiwe is generally credited with having been an intelligent and competent administrator, if at times arrogant and possessing little patience with the shortcomings of his colleagues in both the AFRC and the Federal Executive Council. He had, in addition, taken pains to publicly disassociate himself from certain actions taken by the government, as when he deliberately revealed to the press that the AFRC had not actually discussed Nigeria's proposed admission to the Islamic Conference Organisation earlier this year. On this occasion, in the course of a press conference, Ukiwe had turned to Air Vice-Marshal Ibrahim Alfa, and asked "Have we discussed the matter", obliging Alfa to admit that the AFRC had not yet done so.

But there were also matters of personal rivalry, especially with the military intelligence chief, Col. Halilu Akilu, and the chief of army staff, Major-General Sanni Abacha. Both felt that Ukiwe, who had already stood in for Babangida three times on official visits abroad, was getting too much political exposure. Abacha was himself in a difficult position. In the latest and most delicate pecking order so far established in Nigeria, the job of what was previously

known as chief of staff supreme headquarters was divided between Ukiwe, as chief of general staff, and thus the political number two to Babangida, and Major-General Domkat Bali, the chief of defence staff, number two in all matters military. This balancing act left Abacha as number three, a demotion he contested strenuously until overruled in one particularly bitter AFRC session earlier in the year.

Under these tortuous arrangements, designed to ease some of Babangida's earlier problems, federal ministers repoted to him, while Governors reported to Ukiwe, as chief of general staff. Ukiwe's position was restated by Babangida, and thus implicitly supported, only last month, naming him as political 'vice-president' during Babangida's absence from the country on a mysterious private visit to France. But the problem with the split reporting channels meant that Ukiwe often did not get to see key ministerial documents until they were tabled for discussion at either the AFRC or the executive council. By this time Babangida had often already made up his mind, only to meet Ukiwe's differing opinions, forcefully expressed. On more than one occasion, the president is known to have withdrawn from discussion in the light of the CGS's arguments.

It is wrong, however, to see Ukiwe as the losing party in a power-struggle as such. A former senior commander of the Biafran army in the civil war, and by origin an Igbo from the East of the country, Ukiwe had no political or military power-base. Suspect because of their background and the sole survivors of the old military hierarchy, once top-heavy with Igbo officers, Ukiwe and Brigadier Ike Nwachukwu are in no position to build themselves anything resembling a faction following. Nwachukwu, appointed earlier this month as minister for labour, employment and productivity, lasted only a few months as Adjutant-General, being removed ater repeated clashes with the army chief of staff. After the September shake-up of the army, Nwachukwu was put on a course-list for a non-existent training scheme to await re-assignment. It is being suggested in informed Nigerian army circles that Ukiwe has suffered a similar fate as a result of his friction with Gen. Abacha.

### Shared doubts

Certainly, quarrels over SFEM cannot explain Ukiwe's demotion. True, Ukiwe harboured reservations about the way the scheme would operate in practice and was said to be worried about the possibility of its being hijacked by some of the leading Nigerian banks. But doubts like this were shared by the finance minister, Dr. Chu (Chukwuemeka)

Sonny Okongwu, who was so worried about the danger of premature leaks that he called on his old talents as a former features editor of the *Lagos Daily Times* and typed crucial documents himself, thus ensuring complete security. The minister for national planning, Dr. Kalu Idika Kalu, Okongwu's predecessor at finance, was also known to have his anxieties about SFEM. Conspiratorial tribal interpretations of these attitudes are not very satisfactory, despite the obvious dominance of many leading financial institutions by Westerners, mainly Yoruba, and suspicions of the advantages gained by the Yoruba community in the indigenisation programmes in the 1970s when Gen. Yakubu Gowon and his finance minister at the time, Chief Obafemi Awolowo, nationalised foreign businesses. Ukiwe and the two ministers, while all Igbos, are not in fact very close and Chu Okongwu (nicknamed Chou en Lai by his friends) is known to confide only in the Governor of the Central Bank, Alhaji Abdulkadir Ahmed, a muslim from the north.

Ukiwe's future is uncertain. He is said to be too proud to accept a lesser post and is reported to have refused the job of chief of naval staff, which now goes to Rear Admiral Patrick Khosoni. Friends are now said to be encouraging Ukiwe to retire from the navy, where he has served for 20 years.

The real loser in the end may well be Babangida himself. Being easily bored by the details of administration, the president found Ukiwe's ready grasp of issues and considerable administrative experience a great asset. Ukiwe was military administrator of Lagos and Niger states under Gen. Olusegun Obasanjo and is at home with complex political issues.

### Cares of office

Babangida's personal fitness for the job is increasingly under question. It is being said that Babangida was personally stung when his motives came under scrutiny at the time of the Islamic Conference Organisation furore. Having been seen as a king-maker who refused the crown on many occasions, he had grown accustomed to argument about the rights and wrongs of what he did, but not to suspicion of his motives. Neither a tough military commander nor a workaholic like Gen. Obasanjo, Babangida has been disillusioned by office. His sudden departure from the Non-Aligned Movement's conference at Harare in Zimbabwe does not seem to have been caused by a snub on the part of Robert Mugabe's host government, as was claimed earlier. Zimbabwean officials have denied any hint of this in the strongest terms. More mysterious still was the president's unexplained trip to Europe shortly afterwards, in which he is said to have gone to Paris without

ceremony with a small team of personal staff, having left a 'hand-over note', naming Ukiwe and others as 'in charge' during his absence. Nigerian leaders have never done this before and there have been suggestions that Babangida, perhaps fearing a coup d'etat, or merely tired of the burdens of office, was ready to call it a day.

What is certain is that the constant changes of government and military command are becoming unsettling. This month, four new members of the AFRC were named; Commodore Ndubuisi Kanu, Brig. Garba Duba, Col. David Mark (the former governor of Benue state and arch-enemy of traditional rulers) and Air Commodore Nuruden Yusuf. After similar shake-ups earlier and two cabinet reshuffles within the year, a persistent instability in the ruling military establishment is becoming difficult to conceal.

The irony is that the SFEM, on which so much anxiety was spent, has been implemented with great smoothness. The naira slumped at first to 4.61 to the dollar (the chosen currency of intervention); an instant devaluation of 228 per cent, but by the third week and after the injection of only \$75m. by the Central Bank, the rate had stabilised at 3.5 to the dollar. The SFEM sweeps away the need for import licensing and by making the possession of up to \$5000 in foreign currency legal, will ease some of the frictions with civilians. Whether president Babangida can ease some of his increasing political problems and the increasingly open frictions within the military remains to be seen. ●

/9274

CSO: 3400/417

## FIRST DOCUMENTATION OF BEIRA CORRIDOR PROJECT RELEASED

Harare THE FINANCIAL GAZETTE in English 10 Oct 86 p 2

## [Excerpts]

THE Standard Chartered Merchant Bank of Zimbabwe has released some of the first documentation related to the Beira Corridor Project. The short 10-page information paper on the role of the Sadcc business sector in the Beira Corridor Project is accompanied by an application form for the initial prospectus.

Essentially it would appear that the Beira Corridor Project is a massive business self-help scheme. The 36-month period that has been allocated to revamp Beira and the road and rail links between Beira and Zimbabwe is, the information paper says, to be funded by raising

BCG Ltd, as the public company will be known, is offering 400 shares to interested companies in Zimbabwe. The information paper explains that profit on the shares is not the main, or should not be the main motive for investment.

Rather the purchase of the shares should be considered to be an investment in the establishment of alternative export routes.

The information paper also says that "subscription to BCG will not afford preferential rights of access to the facilities of the corridor, or the awarding of contracts in connection with the development of the corridor".

By the issue of the shares, it is ultimately hoped to raise \$2million. However, initially it is expected that only 200 shares will be made available, giving an initial issued share capital of \$1million. \$250 000 will be set aside for the purchase of 30% interest in Beiracor, the Mozambique operating company, which will also be 30% owned by IBG, incorporated in the Nordic states, and

40% will be owned internally within Mozambique by the Impresa Austral de Desenvolvimento, a company registered in Mozambique on similar lines to BCG in Zimbabwe, from within Mozambique.

The entire project has been broken down into three phases. Phase One is being entitled "The Emergency Phase". The objectives of this are to achieve a doubling of the present capacity of the system within six months, whilst simultaneously improving the efficiency with which goods are handled in the port.

Phase Two has been entitled "The Core Phase" and this consists of the implementation of other infrastructural and service projects to raise the capacity of the port to adequately service the sub-region, or in other words to be able to handle most of the goods from the Sadcc countries in the immediate area.

Phase Three will be Ancillary Projects, an example of this being the completion of the Lions Den to Zambia rail link.

The paper also adds that BCG will receive additional funding by charging for advice and assistance given to those companies who are interested in running joint venture companies and operations within the Beira Corridor generally.

The paper makes it abundantly clear that this is not a profit-making project, and it appeals to organisations to place the interests of the community as a whole above their normal profit-orientated business requirements. Copies of the prospectus will be sent to organisations only — individuals are excluded — by the Standard Chartered Bank in Harare. Envelopes should be clearly marked "BCG Limited".



Year	1986				1987				1988				1989							
Month	1	3	6	9	12	1	3	6	9	12	1	3	6	9	12	1	3	6	9	12
Railway	Emergency Programme					Relay Line					Equipment Supply to CFM									
						Emergency Programme					Implement Recontruction Programme									
Port	Berths 2 - 5	Tender				Construct														
	Berths 6 - 8	Conctruction																		
	Dredging	To 7m +				To 8m -				To 9m - - -										
Container Terminal	Temporary	Construction																		
	Permanent					Tendering				Construct										
Petroleum Berth					Tender				Supply Install											

*This transport bar chart gives some idea of the complexity of the programme. The emergency programme is due to be completed by the first months of 1987, while dredging the port channel will continue beyond 1989.*

/9274

CSO: 3400/388

## ARMY TACTICAL TRAINER SYSTEM UNVEILED

Harare THE HERALD in English 18 Oct 86 p 1

[Article by Willie Zweni]

[Text]

A UNIQUE tactical trainer, described as probably the most flexible in the world and designed and built in Zimbabwe, was yesterday commissioned at army headquarters in Harare by the Prime Minister and Minister of Defence, Cde Mugabe.

The trainer, designed by the Ministry of Public Construction and National Housing through a team of architects and BMATT officers and built at a cost of about \$300 000, is housed at a new Mugabe Hall at the KG 6 barracks.

A tactical trainer is a system in which maps and electronic equipment are used in the assimilation of real life situations and allows the effects of all options to be seen so that officers can know which are the best tactics to be pursued in given situations.

The Zimbabwe National army tactical trainer is unique in the world because it is capable of training individual soldiers and the whole army or brigade headquarters at one time.

The Herald was told that most tactical trainers in the world could train just one battalion at any one time.

Sophisticated electronic equipment in the trainer, installed by the Electronic Designs and Sales as one of the company's contracts with the army, include a simulated radio net system which is not normally used in such military tactical trainers.

Also installed are sophisticated electronic clocks with remote displays, random number generators to aid war games as well as decision-making and battle noise devices. Television circuits could

also be used to improve the trainer.

Commissioning the trainer, Cde Mugabe said the inspiration and effort put into "this unique facility" would ensure enormous enhancement of exercises to be carried out for command and staff courses as well as visiting units and formation headquarters.

Earlier, the acting Minister of Public Construction and National Housing, Cde David Karimanzira, handed over the tactical trainer and the renovated and converted KG 6 Beit Hall to the Minister of State (Defence), Cde Ernest Kadungure.

On the trainer, Cde Karimanzira said initial briefing and sketch plans had been prepared in March last year, but actual implementation of the project had to be delayed because "this was not a case of updating existing designs or carrying out research into previous similar projects".

Said the minister: "There seemed to be no precedent for the design we wanted — certainly not in Zimbabwe and not, to my knowledge, in Africa."

Construction finally began at the end of last year and was completed in August this year.

Cde Karimanzira said the communications vehicle shed built behind the tactical trainer would "add considerably to the simulated battle conditions which we have endeavoured to attain".

On the Beit Hall, he said the building had previously been under-used and that the BMATT had managed to persuade the army commander that it would adequately serve the needs of the staff college if it was converted into a lecture theatre.

/9274

CSO: 3400/388

## ARMY'S COMMAND, STAFF COURSE OPENS

Harare THE HERALD in English 18 Oct 86 p 1

[Text]

THE Zimbabwe National Army's command and staff course, the first of its kind in Africa, will deal with subjects ranging from tactical training to defence policy formulation, the Prime Minister, Cde Mugabe, said when opening the course yesterday.

"This occasion marks a very important milestone in the development of officer training in the national army," said Cde Mugabe.

Previous courses had been run most successfully at junior and intermediate levels and had been a major factor in enhancing the professional knowledge and ability of the officer corps.

The nine-month command and staff course is attended by 70 senior officers from the rank of captain to colonel drawn from the army, airforce and the police.

Cde Mugabe said: "With the introduction of this course, our staff training will be equivalent to that of the most advanced single service colleges of other armies, and I am confident that the course will stand comparison with any in Africa, and even further afield."

The aim of the course was to develop the professional knowledge and understanding of selected officers and to prepare them for the assumption of increasing

responsibility both in command and on the staff.

Building on the student's previous training, instruction would assume basic knowledge of the tools of the officer's trade and amplify it by means of lectures and presentations, visits, demonstrations, syndicate discussions and exercises.

These would range from exercises conducted tutorially in syndicate to command post exercises without troops and scenario exercises in the newly established tactical trainer.

"The course," said Cde Mugabe, "will pay considerable attention to the formulation of defence policy, the mechanism of Government and its relationship with the services, and financial and long-term planning."

There would be an important geo-political content, with the studies related both to Zimbabwe's regional pre-occupations, and to a wider context. Studies would be complemented by a tour of certain SADC member states.

"Tactics will naturally form a very large element of the course, with studies ranging from peace-keeping, at one end of the scale, to full scale conventional war — though not nuclear war — at the other," said

Cde Mugabe.

"Without highly trained officers, confident in their knowledge, accurate and competent in their work, and able through practice and experience to make sound judgments, no commander can put his plans into effect," the Prime Minister said.

Reminding the officers of the situation facing Zimbabwe and the many diverse tasks confronting the young but experienced army, he said the discharge of the duties required the very best that the officers could give and "nothing but the very highest standards of professional competence will suffice".

The officers had to participate actively in syndicate work, and use their experience to educate others.

Speaking at the same occasion, the commander of the BMATT, Brigadier Bob Hodges, said the preparation of the course was an outstanding example of the co-operation which existed between the ZNA and the British military advisers.

The training facility was one of the best in Africa and it was hoped that in future a decision would be made to invite students from other African countries to attend the command and staff course.

# 6 BRIGADE TRAINING SET FOR JANUARY

Harare THE HERALD in English 18 Oct 86 p 1

[Text]

TRAINING of 6 Brigade whose members are now being recruited may begin in January next year, the Minister of State (Defence), Cde Ernest Kadungure, said yesterday.

He was receiving keys to the army's tactical trainer housed in the new Mugabe Hall from the Acting Minister of Public Construction and National Housing, Cde David Karimanzira, at a hand-over ceremony at the KG VI barracks in Harare.

There was an urgent need to build barracks for 6 Brigade so that when training of its members begins next year accommodation should be ready.

Cde Kadungure said construction of the tactical trainer had been given top priority by the relevant ministry and wished

that similar treatment could be given to the construction of "decent barracks to accommodate our troops" and maintenance of existing ones.

This, he said, was urgent because the country was expecting rains soon.

The minister cited the case of some of the existing battalion barracks and said these were in "a terrible state that our troops would be said to be living hardly under a shelter".

In Hwange, where the 12 Infantry Battalion was stationed, the buildings were not only considered to be in a dangerous condition, but were unfit for human habitation. The entire complex gave a feeling of depression and could adversely affect the morale of the troops.

/9274

CSO: 3400/388

DE BEER DISCUSSES BLACK EDUCATION CRISIS

Johannesburg THE STAR in English 24 Oct 86 p 11

[Interview with Deputy Minister of Education and Development Aid Sam de Beer  
by David Braun; date and place not given]

[Text]

**Question:** What do you say to claims that you have lost control of black schools?

**De Beer:** That is simply not true. We are experiencing problems in the Johannesburg area and in the eastern Cape. But in the great majority of areas in the country education is quite normal.

Education is being affected in 250 to 300 schools out of 7 300. Only 33 schools have been closed.

I don't say this to give you the impression that I am blasé about this. If only one child is not in school it is serious.

However, we have certainly not lost control of the situation.

Thousands of matriculants have enrolled for their final examinations.

**Question:** The Government has been asked to hand over the schools to the black community. Would you be prepared to consider this?

**De Beer:** This has been stated by the National Education Crisis Committee (NECC) and it is not something that we believe should be discussed through the media. However, what do they mean when they say schools should be handed to blacks? It has always been our view that the black community should be involved in education.

**Question:** Is it not Government policy that education is an Own Affair, and if this is so when can we expect blacks to be able to take over the administration

of their own education?

**De Beer:** I am on record as saying that eventually the minister in charge of black education will be black.

However, there will not be a transfer of black education to black administration until black political aspirations have been accommodated in a satisfactory manner at central level.

**Question:** How do you react to charges that you are insensitive to the request for talks with the NECC?

**De Beer:** I have agreed to talk to the NECC, but because of the obviously important issues that they want to discuss I have asked them for a memorandum of the points to be raised.

The NECC agreed to send a memorandum a few days before the meeting, so that I could prepare and respond meaningfully.

However, they wanted a date to be agreed and for "certain obstacles" to be removed.

(The obstacles included the immediate release from detention of the NECC leadership and students, and an assurance that those NECC leaders currently in hiding would not be detained by the security police.)

The NECC further wanted permission to have access to the pupils in the form of meetings to get a mandate from them and from parents.)

I informed the NECC that I had noted these obstacles but that these matters fell outside

the ambit of this Ministry and therefore could not be regarded as a prerequisite for a proposed meeting.

We have not been in the least intransigent on this issue.

**Question:** What do you feel about "people's education"?

**De Beer:** We have always said that if people's education means education which is more relevant for the children, if it can prepare them for work, if it can make a contribution towards making them good citizens of South Africa, then we are prepared to sit down and discuss how we can best achieve these aims.

However, if people's education is a strategy to provide infantry for the revolution then we are opposed to it.

**Question:** Is there no way the authorities can approach the education crisis within the broader framework of grievances of the black community, and not just from the point of view that this is an educational concern?

**De Beer:** I believe we will not be able to find the end solutions for education until reasonable political aspirations of blacks have been satisfied. There can be no doubt about that.

It is also very important that we depoliticise black education by upgrading the quality of education.

The Government is committed to providing equal educational standards and opportunities for all the children of this country.

POLICE SALUTED FOR BRAVERY, LOYALTY

Johannesburg THE STAR in English 31 Oct 86 p 9

[Text]

**WELKOM** — It was sad that so many policemen had in the past year been subjected to severe intimidation and isolation by some of their own people, said Brigadier Johan Swart at a Thabong medal parade last week.

Brigadier Swart is Divisional Commissioner for the South African Police.

More than 50 members of the SAP received medals and bars including the SA Police Star, the SA Police medal for loyal service and the SA Police medal for combating terrorism.

The men, Brigadier Swart said, had joined the SAP because they were concerned about the preservation of law and order.

"Today I salute these brave and loyal men and it is only fitting that so many of them have been afforded recognition for many years' service during which each displayed an irreproachable character and exemplary conduct".

/9274

CSO: 3400/400

FIRST INDIAN, COLORED WOMEN RECRUITED FOR NAVY

Durban POST NATAL in English 29 Oct-1 Nov 86 p 5

[Text]

FOR the first time the South African Navy is to recruit Indian, coloured and white women for training next year, the Minister of Defence, General Magnus Malan, has disclosed.

White women are at present employed in clerical positions in the navy.

House of Delegates MP, Mr Logan Chetty, asked in Parliament whether the SADF intended employing Indian women in its permanent forces.

General Malan told him in a written reply the navy had only one intake of Permanent Force women a year, starting in March/April.

"Recruitment for next year's intake of approximately 20 women, will be effected amongst the white, coloured and Indian population groups.

"It is expected that women of all three population groups will be accommodated depending on the number and quality of applications."

General Malan said the personnel policy of the SADF was based on the philosophy that the defence of the country was the responsibility of all its inhabitants within the restriction of existing regulations and provisions of the law.

"Within the latitude of this philosophy it is the policy not to differentiate between members of the Defence Force on the basis of race, religion, language or sex, with due consideration of Government policy, military customs and local circumstances.

"The various populations groups in the SADF are thus entitled to appointment and promotion on an equal basis."

/9274

CSO: 3400/400

## ROLE OF NAVIGATOR IN SAAF EXPLAINED

Pretoria AD ASTRA in English Oct 86 p 9

[Text] The navigator in the South African Air Force plays a vital role in the achievements of the Air Force, yet few people know what his job entails!

A navigator is often expected to handle and solve a variety of aviation problems. When one looks at the requirements necessary to apply for training as Navigator, it is clear that a special breed of men are needed. Those who graduate from 80 Air Navigation School at AFB Langebaanweg near Cape Town surely are the cream of the crop.

Apart from being fully bilingual and a male South African citizen the successful applicant must be in possession of a matric certificate with University exemption, preferably with English, Afrikaans, Mathematics and Science. He must be "Flying fit" and between the age of 17 and 25. Should he be under the age of 21 he must have his parents' consent. All applicants are to pass an Air Force Officers' Selection Board.

The training of a navigator is as lengthy as well as an expensive business. The training, like any other career in the SAAF, starts with basic training at the Air Force Gymnasium in Pretoria. The Officers Orientation Course is the next step. This phase lasts 13 weeks and takes place at the SAAF College in Pretoria. Candidates who pass the Officer Orientation Course then attest into the Permanent Force and are transferred to Central Flying School, Dunnottar. The 9 week long Aircrew Orientation programme is presented here and includes basic survival training for aircrew.

80 Air Navigation School at AFB Langebaanweg near Cape Town becomes the new base for the student at completion of the Aircrew Orientation Course. At 80 ANS the student learns much about electronics, computers, aerial photography, weapons systems, weather conditions, decision-making and leadership. This is the longest phase in the training programme and theoretical and practical flying training is carried out. The next phase involves 10 weeks of training in advanced practical flying at an Air Transport Squadron.

Navigators in the SAAF are vital members of the crew in which they serve. They are utilized in a variety of bomber aircraft, maritime reconnaissance aircraft, transport aircraft and fighter aircraft.



The important role of the navigator cannot be sufficiently stressed, through he is the master of advanced electronic systems which will in future pay an even bigger part in air warfare. He must be able to use this equipment efficiently and guide his crew, even under operational stress.

/9274

CSO: 3400/400

ROLLS ROYCE GRIFFON MK 57 ENGINE DISPLAYED AT AIR DEPOT

Pretoria AD ASTRA in English Oct 86 p 9

[Article by Jonathan Cleland]

[Text] One Air Depot, based at AFS Voortrekkerhoogte, is in the news again with a SAAF first.

At an inconspicuous ceremony at the depot recently, Col Gene Hollenbach unveiled a unique display--a Rolls Royce Griffon Mk 57 A aero-engine, mounted near the impressive new entrance to the depot.

This type of engine was used extensively in the Shackleton aircraft, which went out of service in the not too distant past. The engine is of the 12 cylinder upright V type, was pressure cooled and was a single stage, two speed super-charged engine fitted with DeHavilland contra-rotating propellers. Carbonation was done by means of fuel injection. The engine delivered an amazing 2,500 brake horsepower at 2,750 rpm with 25 pounds boost and water methanol injection.

During the span of 28 years between 1957 and 1985 a total of 650 engine overhauls of these specific engines were carried out and 370 prop-overhauls were undertaken and completed.

After vainly attempting to secure an historic SAAF aircraft as a static display, Col Hollenbach stumbled on to the idea of displaying a sole Griffon engine, which is certainly more in line with the function of 1 Air Depot.

The displaying of an engine in this manner, is to the best of our knowledge, a SAAF first.

/9274

CSO: 3400/400

## BRIEFS

AWB FEEDING PLAN UNDERWAY--The Afrikaner Weerstandsbeweging (AWB) has appointed a party stalwart, Mr Giel Groenewald, to get its feeding scheme for poor whites off the ground according to an announcement in the organisation's monthly newsletter. Mr Groenewald's initial task is to keep statistics to enable "our leaders to fight for the future existence of the volk". The AWB found there were 35 schools in Pretoria which operated feeding schemes for some 800 children. The AWB feeding scheme is already in operation, but it will be Mr Groenewald's task "to get it off the ground". The newsletter says 250 bags of vegetables have been distributed within two weeks of the organisation's inception. Arrangements have been made to keep the vegetables at the Pretoria market. Every bag of vegetables will be clearly marked with an "AWB--Oms Gee Om" (AWB--We Care) sticker. [Text] [Johannesburg THE STAR in English 24 Oct 86 p 7] /9274

CSO: 3400/390

# SECURITY MEASURES FOR PORT ELIZABETH TOWNSHIPS

Johannesburg THE NEW NATION in English 23 Oct-5 Nov 86 p 3

[Text]

**FIRST** they sealed the Port Elizabeth townships off with a deadly razor wire fence. That was three months ago.

Then earlier this month they issued residents with "dompasses" enabling them to pass through three guarded exits manned by rifle-wielding soldiers.

This week the "security forces" have been going from door to door soliciting residents' views with questionnaires.

Residents are scared to answer some of the questions, they say,

because they don't know the purpose of the survey.

One resident said the questionnaire had space for the name of the home owner and address.

People are asked what they think of the SA Defence Force and the police, the Ibhayi Council police and the presence of all three in the township.

They are also asked:

- Whether any of their children have a "bad attitude" to the police.
- What they think of the razor wire fence and the roadblock which seal off New Brighton from other townships.
- What they think of the "comrades", death by

necklacing and the burning and petrol-bombing of homes.

- Where they are employed.

Consumer Boycott Committee spokesman Mike Xhego said if the government lifted the state of emergency and released all emergency detainees so that a peaceful atmosphere was created in the townships, there would be no need for the roadblocks, wire fences or "dompasses".

If a resident is not carrying this "dompas" at a roadblock, he or she denied access to the township.

A few days after the cards were issued, youths went from house

to house explaining the dangers of carrying the cards.

Many residents handed their cards over to the youths, who destroyed them.

Each "dompas" has the Ibhayi Council's code of arms, letterhead and telephone number. It has spaces for a council official's signature, the holder's address, the official stamp of the council and the SAP's official stamp.

East Cape Police Liaison Officer Major Eddie Evason said the questionnaire had come from the security forces operating in New Brighton, and he referred further information to the Bureau of Information.

/9274

CSO: 3400/387

URGENCY OF BLACK PROPERTY RIGHT STRESSED

Johannesburg THE STAR in English 30 Oct 86 p 11

[Article by Sol Makgabutlane]

[Text]

The process of obtaining property under the new black property ownership rights should be expedited to ensure success, said Ms Jill Strelitz, the housing policy manager of the Urban Foundation.

She was commenting on the implications of the Black Communities Development Amendment Act, which came into operation on September 15.

The Amendment Act removes the restrictions in the principal Act which prohibited blacks from acquiring full ownership of immovable property.

In announcing the implementation of the new Act, Constitutional Development and Planning Minister Chris Heunis said it had opened the way for land ownership by blacks.

The Amendment Act brings blacks on a par with other race groups as far as property ownership is concerned.

Ms Strelitz said this would encourage private sector involvement in the supply of land and housing for blacks. It would also cut out the red tape that previously applied to sales of sites and housing, she said.

"Successful involvement of the private sector will be directly related to how effective the public sector is in implementing the regulations. The capacity of the public officials to expeditiously process township applications is the key to success".

She said it would now be easier for those wishing to be township developers to do so without first getting approval from the Minister of Constitutional Development and Planning.

A new flexibility had also been incorporated to allow property owners greater freedom in how they use their properties.

"For example, residential properties can be used by the owner for his profession, trade, occupation, including retail trading. It is very important that the income-generation potential of a house is facilitated," Ms Strelitz said.

/9274

CSO: 3400/387

TOWNSHIP DEVELOPERS NO LONGER NEED MINISTERIAL APPROVAL

Johannesburg THE STAR in English 30 Oct 86 p 11

[Text]

Ms Strelitz says the Black Communities Development Amendment Act of 1986 makes provision for the following:

● In the past a township developer had to be approved as such by the Minister of Constitutional Development and Planning — this is no longer necessary. Anyone who wishes to develop a township can pursue such activity.

● A private owner of land — for example, a farm portion — can request that a Minister

designate that land as "development area" (that is, for development for blacks) and then establish a township and sell sites and housing direct to the community. So the private sector is now being helped to bring land on to the market directly. There is now no need to rely solely on public sector land supply.

● The regulation of township establishment should provide an environment of certainty for the developer, encouraging

him to risk his capital and establish townships. In the past there was no regulation of the process.

● With the situation as it now stands, all blacks, including citizens of Transkei, Bophuthatswanana, Venda and Ciskei, can purchase on leasehold or full ownership in black "development areas". This will cut out the red tape that previously applied to sales of sites and housing. To the extent that sales can proceed quickly the developer can ensure a viable cash flow on a development and so stay in business and produce serviced land and housing.

● An important feature of the Amendment Act and Regulations is that 99-year leasehold title can be registered before a site is surveyed. This means that, while the developer is proceeding with his township application, he can sell properties on 99-year leasehold at a very early stage with positive cash flow result.

/9274

CSO: 3400/387

SOME MEMBERS OF SPECIAL CONSTABLE FORCE ALLEGEDLY FORCED INTO JOB

Cape Town GRASS ROOTS in English Oct 86 p 1

[Text]

SOME men who went to look for work as security guards ended up being trained for the new special force, two women have claimed.

The women said they last saw their husbands when they went to apply for work as security guards at the offices of the 'community services' (formerly Western Cape Administration Board).

One woman from New Crossroads, who did not want to be named for fear of victimisation, said her husband had told her he had been offered a job at community services.

"He said he would have to go for training to protect himself at night. He said he would be picked up on Monday August 11. But a man from BAAB came to pick him up on the ninth instead.

"From that day I never saw my husband and I don't know what happened to him. I took another woman whose husband is also there to find out from the BAAB where our husbands

were. We were told to go and look for them at the mobile police station.

"When we came there we were told that some people came to the police station some days but not every day. We asked the phone number for the camp where our husbands are being trained. They said they did not know.

Another woman from Guguletu, who also did not want to be identified, said her son had gone to look for a job earlier last month and never returned.

"He phoned me and told me he got a job as a nightwatchman. When we got there it was not the kind of job they promised. In fact, they were being trained as police.

"He asked me if I got the money because they were told the money would be sent home. I told him I never got any money.

"He told me they were not allowed to go home. He said he noticed many witdoeke there. He and others were told they were comrades.

## VICTORIA WEST YOUTH CONGRESS DISCUSSES PROBLEMS OF TOWN

Cape Town GRASS ROOTS in English Oct 86 p 4

[Text]

GR: WHAT KIND OF PROBLEMS DO PEOPLE EXPERIENCE IN VICTORIA WEST?

VIYCO: There are many problems. Firstly, there is the problem with wages – the highest wages are about R150 per month. Domestic servants often earn as little as R20 per month.

The people accept low wages, because there is so little work

GR: HOW DID YOU START ORGANISING IN THE AREA?

VIYCO: We started last year, when we formed VIYCO. We were demanding:–

- \* a community hall in the area

- \* The resignation of the community council

GR: WHY WERE THE PEOPLE DISSATISFIED WITH THE COMMUNITY COUNCIL?

VIYCO: They never consulted with the people. They claimed to be our leaders, but they never came to us to find out our problems. For example, when the rents were increased, they never told the people,

or asked the people if they could afford higher rents and so on.

We organised a rent boycott in July last year. The people just could not afford to pay high rents – they felt they were being robbed. This was also because

you never saw where the rent money was going. Our houses were still broken, there were no facilities in the area.

The community councillors all resigned last year, eventually.

GR: WHAT OTHER ORGANISATIONS ARE THERE?

VIYCO: This year, we formed a residents' association, and a students' organisation

We had a people's court, which was forced to stop working after the emergency. People would bring their grievances to the court, instead of going to the police. If someone was found guilty, we would sentence them to "community work". Like if there was an old granny, they would have to look after her, wash her

and clean her house and so on. That sort of work.

GR: DO YOU HAVE A PROBLEM WITH DETENTION AND ARRESTS?

VIYCO: Yes, this is a very big problem. Last year, hundreds of people were arrested and charged with public violence, arson, intimidation, illegal gathering, anything they could think of. Once, children as young as twelve years old were arrested for illegal gathering. They were held without bail for three months. Then they got a fine of R75.

GR: HOW ARE PEOPLE TREATED IN JAIL?

VIYCO: We have heard many complaints – of bad food, assaults, beatings, torture and electric shocks, all that.

GR: WHAT DOES THE DPSC DO?

VIYCO: We try and support the families of those in detention, or in prison. It is very difficult for them. Firstly, the bail money is often very high – as

much as R2 500. Then there are fines for illegal gatherings and so on.

The people also have to travel long distances to visit their relatives in jail. The people who were sentenced for public violence have had no visits since January, because their families cannot afford to go and see them.

GR: HOW HAS THE EMERGENCY AFFECTED YOUR WORK?

VIYCO: Well, as we said, some people were detained. The police have been quite active – on June 16, the police and SADF forced people to go to work.

The emergency has made it harder – we have to meet in secret and so on. But it has not crushed the spirit of the people. Our organisations are very strong. The people support the UDF, they call for the release of Mandela and all political prisoners, and for the unbanning of the ANC and other organisations. The 'spirit of no surrender' lives on in Victoria West.



COSATU UNION FOR DOMESTIC WORKERS

Johannesburg THE NEW NATION in English 23 Oct-5 Nov 86 p 15

[Text]

THE Congress of SA Trade Unions will launch yet another national trade union -- this time for domestic workers.

The launch, scheduled for November 29, will take place in Johannesburg.

But numerous problems face the workers and organisers. The most important is the exclusion of domestic workers from the Labour Relations Act. No legal measures regulate wages, working conditions, leave and sick pay, or unemployment insurance.

Their exclusion from the country's labour laws has facilitated their exploitation and abuse. It is, for example, not uncommon for a domestic worker earn R40 a month or less.

In the absence of legal protection, housing, health and wage rates depend entirely on the benevolence of employers.

And because workers are scattered over wide

areas in small numbers, any attempt to draw them into a single union poses a serious challenge to the organisers.

It is the only sector where employers could match the size of the union in terms of numbers.

Employers in some areas have already displayed intense hostility towards union organisers -- threatening to kill them. Letters warning that the organisation will be rooted out have also been circulated.

The union's immediate demands will include a 40-hour working week, leave pay, maternity benefits and notice pay.

It will also demand that its members be covered by the Labour Relations Act, and that they be paid a minimum wage of R200 a month.

Cosatu regards the launch as a "great step forward that will bring unity and strength to domestic workers from around the country".

/9274

CSO: 3400/393

## AZASO CRITICIZES OPPONENTS OF ACADEMIC BOYCOTTS

Johannesburg THE STAR in English 27 Oct 80 p 13

[Text]

DURBAN — Leaders of the Azanian Students' Organisation (Azaso), whose members made Dr Conor Cruise O'Brien cut short his visit to the University of Cape Town, called a Press conference here to put the academic boycott of South Africa "in proper perspective".

Students were angered by reports that academics were worried the University of Cape Town could become an "African campus" plagued by low standards and ruled by the mob.

This, the students said, was racism. "African" was not synonymous with poor standards, they said.

Said Azaso president Billy Ramokgopa: "The debate has been one-sided. The views of black students are missing. Even academics who are sympathetic to our struggle have criticised the boycott.

"People have not bothered to find out why we support it."

Mr Ramokgopa said Azaso and many other organisations were committed to South Africa's total isolation and the ban on overseas academics was part of that isolation strategy.

The ban, he added, should be seen in the same light as economic sanctions and sports and cultural boycotts.

Mr Ramokgopa said it was absurd to talk of academic freedom amid Government re-

pression.

## DETENTION

He said many students and academics who supported the boycott were in detention.

Their detention — an attack on free speech and academic freedom — had not aroused similar passions on English campuses.

Mr Ramokgopa added: "The universities are grounds of apartheid. Many people, mainly whites, have places guaranteed, but few black students make it."

Said one student leader: "In a normal society we would support academic freedom, but South Africa is not a normal society.

"The people of South Africa are involved in a struggle for national liberation and all the struggles, whether on the shop floor or in schools are geared to that goal.

"The question of academic freedom cannot be viewed in isolation."

The students said if academic freedom meant the free flow of ideas, why were protests from liberal institutions muted when black students were shut off by Government decree from enrolment?

They claimed allocation of facilities to black and white students in many "English" universities was racist. Black facilities were "always inferior".

BOESAK SAYS NATION'S PRESS MUST TAKE RISKS

Johannesburg THE STAR in English 29 Oct 86 p 11

[Text]

LONDON — Dr Allan Boesak told a meeting in London that until South African newspapers made a strong challenge to the Government — even at the risk of being closed down — blacks would continue to believe that they “are not there to serve truth as they should”.

He said South Africa's Press “should begin to make a better contribution than they have been able or willing to make up to now”.

He urged foreign correspondents in the country to defy censorship to tell the world what was really happening. And they should employ black reporters to reflect events and impressions in situations where white reporters are unable or unwilling to go.

“British newspapers must also do a little more than they have been able or willing to do up to now.”

Dr Boesak was guest speaker at a meeting organised by the National Union of Journalists (NUJ) to launch a fund for a new “independent” news agency in South Africa.

**STAND AGAINST CENSORSHIP**

Details of the new agency and how it will operate are sparse, but the NUJ is hoping to raise up to R60 000 to finance it.

Commenting on South African newspapers, Dr Boesak said: “The white South African liberal Press can do more.”

He said their stand against censorship since the start of the state of emergency had not been “particularly brave”.

“All these newspapers belong to Anglo American — and they can decide to challenge the Government. Why do they not decide to make that challenge and go to the black people and hear what is happening in the black areas and print the atrocities ... and let the Government decide to close them down.

“And until they do that, I believe black people will continue to believe those newspapers are not there to serve the truth as they should, but to cover for white political and economic interests.”

/9274

CSO: 3400/391

SATHS COOPER DISCUSSES DEPARTURE FOR U.S.

Durban POST NATAL in English 29 Oct-1 Nov 86 p 12

[Interview with former Azapo head Saths Cooper by Ameen Akhalwaya; date and place not given]

[Text]

Q: Azapo has been virulently anti-American, yet you are accepting American money to go to an American university. Do you see a contradiction?

SC: I suppose there would be problems if it were in any way linked with conditions, and if in any way one were doing the bidding of an imperialist power.

We can never be against a people; we can be against a system. Even in its most virulent moments, the Kremlin never lapses into anti the American people; it is rather anti the American administration, the American system.

We have stated our position clearly: we are against a particular system that has exercised its influence in various ways throughout the world through imperialism.

Q: It is being suggested that you are leaving to get away from Azapo problems, that there has not been a full acceptance of your leadership because of your racial ancestry. Is that true?

SC: Whatever may come latterly, appearing to emanate from Azapo — and even if it sounds quite plausible as if it is from

Azapo — must be looked at very seriously in terms of what the ideological constructs of the organisation are.

Very clearly, there has been a belief in a basic framework of black consciousness (BC) and orientation towards socialism.

If there has been any ethnic connotation, it is not part of BC or the socialist direction of Azapo. It would be from mischief-makers and from detractors who would like to sow further confusion.

Whenever a figure is engaged in a controversial move, you'll have a lot of interest excited by it. You will have a lot of people attaching various interpretations to things, but I would like to stress that many of the disinformation rumours that are abounding emanate from system quarters, people who are doing the work of the system.

I have with reluctance been forced to consider whether I could continue to serve Azapo while being a student abroad, or whether I could continue to serve Azapo for the next couple of months, almost waiting in the wings as it were, because I had made up my mind to go once the passport became definite.

As early as May, Azapo's entire leadership knew of my intention, and empathised with that intention, because the struggle is not something you can prosecute only in a particular organisational or structural form.

You prosecute that in various ways, different people do it in their ways: ordinary workers in their daily struggles to make a living, to maintain their dignity, making their shop-floor demands, are contributing tremendously to the struggle.

We should put those things in perspective because people can make contributions in various ways. They don't have to be nakedly political.

I felt I'd probably best serve my cause, my orientation, by stepping down, allowing for leadership to develop more from the bottom. When you have strong figures, there can be lack of development, there can be too much reliance placed on a few figures.

That is not good for any collective grouping, or for encouraging the growth and development of leadership. The BC movement has been one almost irreverent movement when others have kept leadership in a staid fashion for

decades.

BC has called on the principle of accountability, of recall, of change. We believe basically in democratic processes.

That is why it is probably at great cost that Azapo is one of the few organisations that has an annual congress and elects new people every year.

Q: But don't you see that as a major weakness of Azapo — where it's trying to get away from personality and leadership cults — that it hasn't had readily identifiable people to rally around, whether as symbols or as people of genuine leadership?

SC: Yes, that can be a probable fault, knowing the weakness, the mediocrity, the norms of our society.

But BC has been trying to say we know that that's what is wrong. Should we play according to what is wrong, or should we posit what is the correct way?

In that sense, I think we have been purist, but I have been an unwilling political candidate. I have particular weaknesses, particular strengths; I have particular intolerances, if you like, for shoddiness, for lack of integrity, for dilatoriness, and for people's being shysters.

I've been loathe to allow

any such development around myself because grave problems can arise from cultivation of such a situation.

Q: On being purist ... at your farewell party there were a lot of white people, which seemed on the surface to be a move away from what was perceived as a purist black exclusivity of BC previously. Would you see that as a shift?

SC: For me, there is no contradiction. One needs to state this: the ruling class consists largely but not exclusively of white people. Those who are ruled are overwhelmingly black, the majority of oppressed and exploited people.

That is where the lines are drawn. BC talks of the dehumanisation, the denuding of the person that has been going on since the advent of white settlerdom in this country, that blacks need to be able to assert themselves, they need to take their places in society.

Nowhere in BC has the issue of whites been elevated to principle. It cannot be, because we talk of a new socialist Azania. An Azanian then in that new society would not be bound by the strictures of race classification, by religious affiliation, by physical characteristics.

That would be a citizen. Full stop. That person would owe allegiance to Azania, not to Europe or India or a little Bophuthatswana.

In BC we have not legislated against any association of people, irrespective of what they may be classified as. Within the movement, we address ourselves to the issues that glaringly are there as everyday reality for black people.

We don't make exceptions by going out of our way to accommodate white people.

We believe they have an important role to play in the struggle, not merely by showing solidarity

with us, but by actively engaging themselves in campaigns.

By associating with whites, you don't give up any bit of your blackness. It is only an inferior half-baked BC person who has that fear.

BC says: Do not be afraid of any person.

Q: The foundation of BC, as I understand it, was rejection of white liberalism, and now it seems Azapo is one of two organisations in the country (with Inkatha) that does not open its membership to whites.

SC: Inkatha does have white members. Azapo is the only one that does not allow membership of whites.

No whites have applied to join us and it hasn't been a problem for Azapo at this stage because it is addressing itself to the issues raised by a divided society amongst the oppressed people.

And any form of social activity that does not militate against the prosecution of the struggle is not something to which BC will deign to address itself.

Q: So are you saying that if whites apply for membership to Azapo, they won't be rejected outright, and if not, what would be the criterion for membership?

SC: I am not saying that. I'm saying whites haven't applied.

We don't accept whites as members of Azapo, believing they have constituted the problem as a group for representing white interests, white power and privilege, and the prejudice they have exercised as a result of that.

What is of more import is the fact of what Azapo addresses itself to, what it does, and how it goes about doing those things, the principles on which it is founded.

Azapo doesn't attack white liberals; it attacks liberals, and acknowledges there can be liberals in black skins who are as dangerous as liberals in

white skins.

Q: A contradiction in terms of Azapo's membership definition is that where whites are asked to try to mobilise their own community, that call would be on a racial basis, because you are looking at a white person as a member of the white community.

But assuming that there are whites who are genuinely committed to what Azapo believes and they are not able to mobilise, especially in the present circumstances, any significant chunk of the white population, where do such people find a home?

SC: We are aware that many people have that dilemma.

Right now they don't have a home and it is unfortunate, but they are not a significant number to begin to really worry about.

If we begin to look at who is the enemy and address the question of what constitutes the ruling class, very little problem emerges thereafter.

BC is not anti-white, it's never been. From time to time you'll have rapid outbursts by half-baked neophytes and people trying to appear blacker than black and lapsing into various forms of narrow Africanism, tribalism, and so on. That is not BC.

Q: In the US, it is probable that you will be meeting the leadership of ANC, PAC, and BCMA. When you do — or if you do — what would be your message to them?

SC: I've never been unprepared to meet anybody except people who have been responsible for our present position in this country.

The people you have mentioned are part of the solution posed by those who have been responsible for the situation and I would have no objection to meet with them and share whatever can be shared.

I have an open mind on many issues. I am not a finite strait-jacketed person. I'm informed by many principles, my conduct,

my orientation, but that doesn't make me a mechanist.

Q: All the major extra-parliamentary organisations say they are out to unite people against the system, whatever their ideological differences. What would your message be to those organisations, those leaders you meet, about how they can actually achieve this type of togetherness or find common ground?

SC: I think a common set of principles which do not infringe on personal, territorial, and ideological interests can be looked upon as the basis for a limited co-operation on specific objectives against the system as it is now.

On other more specific campaigns and pressures there can be differences about whether participation in a joint programme would be fruitful.

But that should not be counter-productive, it should not become a reactionary or counter-revolutionary position where you have downright condemnations, dismissals, attacks, and sabotage of each other's specific programmes.

But for those programmes that can be agreed to at a broad mass level and which are informed by these few basic points of departure, if that can be agreed upon, there can be more and more working relationships developing, more and more understandings between individuals, between groups of individuals within those organisations, and between the organisations themselves.

I think at a fellowship level there is very little problem because basically followership is followership. People want to see freedom in their lifetime, and not even at the end of

their lifetime. They want to see it now.

People will support any body, any group, that appears to be giving them something that is going to bring them closer to that goal.

It doesn't matter for them whether that particular little group is actually Charterist or BC or 10-point Programme in orientation or Africanist. But if the goods begin to be delivered, or are seen or appear to be delivered, people give their support.

You find people supporting certain specific things that the UDF does and still support other things that Azapo does and vice versa, and we need to guard against any megalomaniac tendencies by rushing to make claims and thus attempting to foist hegemony on areas of struggle.

The struggle doesn't belong to any groups, individuals, or organisations. The struggle rightfully rests with the people who actually prosecute it.

Once we begin to overcome the ego and personality constraints that little petty organisational power amongst the powerless gives us, we'll be able to get more to grips and reach a realistic solution to the divisiveness that exists amongst the resistance groups, à la the Zimbabwean situation.

And when you are talking of contesting an election or a referendum you then go your ways and fight your contests on the planks that you stood for and are then prepared to die for.

But until that point is reached we need to have a solid united effort because no group is going to succeed on its own.

Q: How optimistic are you about the chances of being able to work out some

working accommodation in the light of the bitter feuding at times?

SC: Unfortunately, we have a legacy of blood, we have a very fearful suspicious atmosphere. Of course South Africa is a paranoid society, but amongst the resistance groups, within them, you have this fear and suspicion, largely contributed to by the system and many have fallen prey to that.

We need to recognise who the enemy is. Are we turning to the enemy or are we turning to ourselves?

Are we our own worst enemies? How can we prosecute this struggle when we begin to kill each other, attack each other, and our people lose faith in the struggle?

People are saying that if you are doing this now, what will you do when you get freedom?

My optimism is based on the fact that if we don't have this unity, we're doomed. We'll have a perpetual conflict situation as in Lebanon where nobody is winning.

The people are losing little puny battles for little bits of the wall. At the end of the day it is the imperialists who win and it is the local warlords who succeed in keeping the situation on fire.

And I'm afraid that that situation is reaching our country in a very big way and from time to time has flared up.

The Emergency has to some extent provided the opportunity for people to be forced to face a common threat, to be forced to flee, to be in hiding together, to be in detention together, to do things in a common fashion.

If the system can force us to do those things, why the hell can't we?

/9274

CSO: 3400/398

# MUSLIM LEADER GIVES VIEWS OF LIBYA, QADHDHAFI AFTER VISIT

Cape Town GRASSROOTS in English Oct 86 p 5

## [Text]

THE national co-ordinator of the Call of Islam, Maulana Faried Esack, recently met Libyan leader Colonel Mu'ammarr Qadhafi.

The meeting took place during Maulana Faried's trip overseas to attend the conference of the Islamic Call of Society in Libya from September 17 to 24.

He spoke to Grassroots about his impressions of Libya and Colonel Qadhafi.

"I found him to be a very warm person who loves life. He enjoys the acceptance and affection with which people meet him and until a few months ago he would walk around the streets and bazaars of Tripoli quite freely. The ordinary people are very angry at the way the Americans tried to kill him by bombing his house. He no longer lives in one house and they don't see him in the streets any longer.

"He is also the symbol of unity for the Libyan people who were very divided before the revolution. Only three percent of the Libyans lived in houses before the revolution and now every Libyan has the right housing. Rented houses are illegal and the houses belong to the families who live in it. Every area has its own co-operative market where the local people share in the profits.

"The country is governed in a very unusual way with street committees, area committees etc. upto national people's committees. People can change the delegate to any committee at any stage and the delegates get paid in the way MP's get paid because it's not a permanent job.

The Libyans are deeply committed to a life of equality and justice for all. This has made them develop strong ties with countries like Nicaragua

and Cuba. It also means that they have earned the anger of Reagan, Thatcher and all other imperialist powers. They have then tried to point Qadhafi as a mad person. I found him to very calm and sober. Although I can understand why he frightens the Americans. He is committed to revolution, even if it means violence, to create a just society.

"The one problem that I find with them is that they often feel things very deeply without analysing and thinking through strategies carefully. They, for example, feel strongly about the unity of all Africans and have been supporting the PAC for eight years.

"It is only now that Qadhafi has met Comrade Oliver Tambo at the NAM summit at Harare that the Libyans have decided to support the ANC.

/9274

CSO: 3400/391

## MUSLIM LEADER SPEAKS AT CALL OF ISLAM MEETING IN CAPE TOWN

Johannesburg THE WEEKLY MAIL in English 31 Oct-6 Nov 86 p 7

[Article by Jean Le May]

[Text]

It was true that "a particular kind" of South Africa was being threatened by "a particular kind" of Islam, Moulana Faried Essack said at a meeting in Hanover Park, Cape Town, on Wednesday night.

The South Africa which "detained, exploited, confined" was the South Africa which was being threatened: but it was also being threatened by liberal Christians such as Archbishop Desmond Tutu and Dr Allan Boesak.

Essack, national co-ordinator for the Call of Islam, was speaking at a meeting attended by more than 2 000. The meeting was organised by the Call of Islam, probably the most widely supported Muslim organisation, to protest the NGK synod resolution last week that Islam was a false religion and a threat to South Africa.

Messages of support were read to the meeting from Archbishop Tutu, Dr Allan Boesak and the Rev Beyers Naudé. Other speakers were Ds Gerrie Lubbe, who was dismissed by the NGK some years ago and is now president of the World Council of Religion and Peace in South Africa and Dr Richard Stephens of the Department of Biblical Studies at the University of the Western Cape.

A representative for the Bureau for Information said "after the meeting a crowd of about 400 coloured people

were dispersed by police using tearsmoke. Stones were thrown at police and one member of the Security Forces was slightly injured by being hit on the head with a stone. We have no record of any arrests."

In his speech Essack said that since the Call of Islam was founded two and half years ago, all its efforts had been towards forging unity between Muslims and Christians. He was saddened by the fact that although both the state and the NGK appeared to be moving towards reform, both were keeping strictly to the non-segregationist line favoured by the rightwing of the government and the rightwing of the church.

Cape Town Muslims have been outraged by the NGK's gratuitous attack on Islam during its synod last week. A resolution accepted by the synod read that Islam was "a false religion" which held great danger to South Africa, Africa and the world.

The meeting Wednesday night called on all Muslims to gather on the Grand Parade on Saturday morning and march to the Groot Kerk in Adderley Street to deliver a note of protest to the NGK.

Muslims have not been mollified by a statement put out after a special meeting of the NGK general synod committee in Pretoria this week, which attempted to smoothe over the

row. It said that the offending resolution should in no way be seen as an affront to Muslims, but in the context in which it had been made, which was during discussion of a motion deploring the number of young black and coloured converts to Islam.

The resolution which caused all the trouble was proposed by Ds Stoffel Colyn, chaplain general to the SAP. It called on church members to "witness to the gospel of Jesus Christ in all areas as the only answer to the onslaught of Islam".

The synod accepted a motion expressing concern that many young black and coloured people, especially after 1976, turned to Islam "as an ideology which furthered the freedom struggle".

Essack was critical of Muslims who became members of the tricameral parliament. As for criticisms that the NGK's resolution had embarrassed Muslim members of the SA Police force, there were no Muslim policemen, he said. "Any Muslim who joined the police force was asked to resign or leave the faith."

In an interview before the meeting, Essack said it was true, as the NGK had alleged, that "young blacks and coloureds" had been drawn to Islam, but "not in any large numbers".

/9274

CSO: 3400/391



DOCUMENT OUTLINES VIEWS ON ECONOMIC STRATEGY

MB071636 Johannesburg SAPA in English 1632 GMT 7 Nov 86

[Text] Pretoria, 7 November, SAPA--The government's initial response to the long-term economic strategy compiled by the Economic Advisory Council is that it has largely either accepted the recommendations, welcomed new points to consider, or pointed out that present policy is already in line with proposals.

The response of 200 leading South African businessmen, who attended the government's economic conference today at the "Carlton III" talks in Pretoria, to the council's strategy, comprehensively laid out in a 50 page document, and to the government's equally bulky reaction, will be made clear at a press conference this evening.

According to Mr Joe Stegmann, deputy chairman of the council and head of the sub-committee which compiled the strategy, the proposals represent the views of the private sector as formulated by members of the council.

The strategy document accepts there is no instant solution to South Africa's economic problems and that the proposals will not result in improvements overnight.

Further progress in the field of political reform that would help defuse unrest and normalise South Africa's economic relations with the rest of the world are "essential" if business confidence is to be restored and if the economy is to improve. In its response, the government aligns itself with this stance.

The strategy says measures are needed to ensure all members of the community share in the planned development of the country, not through a redistribution of existing wealth, but by means of productive participation in economic development.

The government welcomes this approach and outlines existing policy measures aimed at meeting this goal, particularly on acceptance of black urbanisation, the need to prepare for it and the development opportunities it presents.

The vital role in economic development and job creation of the small business sector is pinpointed and government backs this up, once again detailing action

it has taken. In this response, the government says it "has already taken the initiative with regard to the majority of the measures proposed...they are already being implemented."

The strategy specifies that education policy must satisfy the needs of the new pattern of development, with a better balance between academic and occupationally oriented education.

The government outlines the "well developed educational system in South Africa which offers a variety of fields of study and possibilities."

The government also supports the recommendation that blacks should be increasingly exposed to management and senior posts, including those in the public service. But the government says it believes appointments and promotions should take place on the principle of merit and not in a cosmetic way.

The government says it subscribes to the role that a new economic development programme could play in ensuring the economic strategy is effectively and consistently applied.

In an annexure to its response, dealing with the constitutional process, the government outlines the political history of the country from 1910. It says that the reform is a "comprehensive process."

South Africa today finds itself in the midst of the most far-reaching, important and comprehensive phase of constitutional development in its history."

The country had "undoubtedly, entered its most difficult phase with blacks having to be accommodated in the system at the highest level."

It was clear constitutional development could not take place instantaneously and that the process could not bring about ideal conditions.

"People at different levels must be exposed to complex institutions and processes, common values must be developed, systems must find acceptance, leadership must develop, and in the process progress can be made towards effective and efficient government systems appropriate to the country's circumstances and possibilities."

/12913

CSO: 3400/399

OFFICIAL OUTLINES ECONOMIC PLAN

MB051623 Johannesburg SAPA in English 1226 GMT 5 Nov 86

[Quotation marks as received]

[Text] Johannesburg, 5 November, SAPA--Government is set on a meticulously planned course to restructure South Africa's Society--and is not directionless--said Mr Kent Durr Deputy Minister of Finance, at the annual convention of the Federated Chambers of Industry today.

Addressing the conference on "Economic Prospects in a Sanctions Environment," Mr Durr there was a sea-change in the government's attitude to the private sector which was not sufficiently recognised. "This may be because it cannot easily be backed by chapter and verse; but to my mind it is one of the leading plusses in our present equation.

"Not that it hasn't found expression in concrete form, Mr Durr was quick to add. For instance: "One has only to look to the following to see what striking progress has already been made:

First, the Economic Advisory Council of the state president has designed an overall economic strategy which will provide a global perspective on economic policy measures. This will serve as an integrating force guiding various policy making bodies. The council is also working on a strategy for the reconstruction of the agricultural sector.

Second, the Margo Commission has almost completed its comprehensive review of the tax system. The commission's recommendations have a vital bearing not only on tax reform in South Africa but also on our ability to maintain or improve our international competitiveness. A parallel lies in the European countries, where tax reform is at the moment viewed as an urgent priority in order to maintain competitiveness with the United States.

Third, the implementation of the strategy for the development of small business and for deregulation is well under way. Areas affected thus far include: the establishment of a new form of business enterprise in the shape of the close corporation; the introduction of new standard national building regulations; the deregulation of business hours and of certain aspects of liquor affairs; the opening up of central business districts to all population groups; the abolition of influx control; the acceptance of the informal

sector; the acceptance of the principle of non-discrimination between businessmen of all groups; legislation giving the state president wide powers to cut through red tape and unnecessary regulations; and the successes achieved in helping small businessmen via institutions such as the Small Business Development Corporation.

"It is clear," said the deputy minister, "that much has been done in this regard. There remains even more to do. But I think it is important that we recognise that progress is being made along a planned route where the route, the planning and the implementation are subscribed to and have the full participation and input of the very best leadership in the private sector.

"The fourth dimension of intricate web of interrelationships is the progress made towards privatization.

"Key areas ripe for privatization have now been identified. Those that offer the private sector a chance of early and fruitful participation, and simultaneously the government the opportunity to withdraw, will soon give to our stated policy of minimizing the participation of the state in the economy.

"Fifth, in the field of industry and commerce the white paper on industrial development strategy targets the goals and provides a comprehensive picture of the direction for the future. In the course of continued liaison with the private sector, policy coordination takes place through the 29 boards, councils and other bodies falling within the ambit of the Department of Trade and Industry.

"Among these organisations, to name a few, are the Industries Advisory Committee, the Board of Trade and Industry, the SABS [South African Bureau of Standards], the CSIR [Council for Scientific and Industrial Research], and the Competition Board.

"Private sector input is substantial, since an overall 58 percent of representatives of these institutions are businessmen contribution to decision-making at the highest level.

"In the sixth place, our industrial strategy has led to the establishment of the Kleu Committee to investigate the possibility of implementing comprehensive structural adjustments to the economy, as a first step in a review of export incentives is currently under the spotlight, to make them more cost effective and to conform with GATT requirements.

"In the seventh place, another consequence of joint action between the private and public sectors is seen in the recent restructuring of the Board of Trade and Industry--following the recommendations of the Van der Horst Committee which investigated the application of South Africa's industrial protection policy--with an expanded staffing and much wider powers than previously.

"We can soon expect reports from them on potential avenues for import replacement and further beneficiation of raw materials to satisfy the home market and to promote exports, in line with the white paper.

"In the eighth place, mention should be made of the role of technology as the lifeblood of future industrial development. The Department of Trade and Industry, with the CSIR, has already launched a programme to facilitate technology transfer.

"This will make technology more readily available to the South African industrialist and thereby increase our competitiveness, to augment local research and development efforts and to increase productivity and profitability.

"The joint action between SAIDCOR (SA Inventions Development Corp) and the DIC has been announced by the CSIR.

"Here it should also be mentioned that the Board of Trade and Industry has recently finalised the investigation into the electronics industry. The development of this strategic industry is in line with the government's belief that technology, and not numbers, is one of the main determinants of a country's economic and military strength.

"In the ninth place, the Board for the Decentralisation of Industry is progressing well down the road of what should probably be called the most successful affirmative action programme ever undertaken by any government on the African continent.

"To date, from its inception in 1982, 300,000 direct employment opportunities created tell only a small part of the whole story. However, when the multiplier effect, creating an additional 720,000 jobs, is taken into account the grant total is over a million work opportunities."

Mr Durr concluded by listing some of the more specific business opportunities he felt were on offer "here and now," he said.

There is surplus capacity of men and machines in many industries to cope with substantial growth without much capital outlay.

Recent government and private sector efforts to promote training have created a pool of people with lower-level skills, awaiting mobilisation in less sophisticated industries.

The sale of foreign controlled companies will, in many cases, free local management to seek exports in areas from which they were previously excluded by licencing or parent company arrangements.

"There are many products that can be manufactured locally but which are currently imported because that has been easier. As labour costs rise under the influence of rapid economic growth on the part of several of our competitors, the combination of rapid population growth and improved skills

training in South Africa should enable us to enjoy labour costs per unit of output in certain industries lower than is the case in many competing countries.

"This, in turn, will create further export opportunities."

/12913

CSO: 3400/399

PRESS CONFERENCE AFTER BUSINESS SUMMIT REPORTED

MB072023 Johannesburg SAPA in English 1846 GMT 7 Nov 86

[Text] Pretoria, 7 November SAPA--The Economic Advisory Council's long-term economic strategy and the government's initial response to it was "endorsed" in Pretoria today when 200 of South Africa's leading businessmen met government for the "Carlton III" discussions in Pretoria.

It also emerged at a press conference after the day-long discussions that future meetings between government and the private sector would be held as soon as possible in the future.

The state president, Mr P.W. Botha, who addressed the press conference briefly, said the discussions had been "a success and its purpose was fulfilled."

It had been a conference of goodwill, openheartedness and of civilised people who had discussed the problems of South Africa in a civilised manner.

"I want to give the assurance that where there were differences, they are of such a nature that they help take us close to solutions." He hoped the Economic Advisory Council would, in the future, apply itself to finding a way in which the government could from time to time meet the private sector, as it had done today, to facilitate an exchange of views. "We did not shout at each other, we did not insult each other... we enriched each other, and we go our ways as friends," Mr Botha said.

Dr Kerneels Human, Chairman of the Economic Advisory Council and of today's discussions, emphasised that the meeting had been "a positive one."

Full minutes had been taken at the joint meeting of all the delegates and at the group discussion and their contents would be forwarded to the government.

"The strategic (economic) document was accepted by the conference," he said.

The Minister of Finance, Mr Barend du Plessis said serious attention would be given to the economic development programme envisaged in the strategy, and that although there was no specific time scale, the matter was regarded as urgent. "This strategy related to prevailing circumstance."

Mr Warren Clewlow, of the South African Foreign Trade Organisation, who represented the private sector with Mr Meyer Khan, of SA Breweries, at the press conference, emphasized the fullest support of the businessmen for the economic strategy.

Although the absence of black business leaders had been felt, the economic strategy plan was not only for whites, but for all population groups.

If it succeeded it would definitely clear the way for a better South Africa for all and the degree of support it received would determine its success.

Asked what today's conference and the economic strategy meant for the man in the street, Mr du Plessis said the discussions should be looked at as an indication of hope and jobs for the jobless.

Mr Clewlow said the meeting today had been a genuine effort by business to see that the plans to revive South Africa's economy succeeded. Both he and Mr Khan conceded that political issues had featured strongly in the discussions, particularly calls for the abolition of the Group Areas Act, but emphasized that "specifics" had not been dealt with.

Generally, the need for government to speed up its reform process had been emphasized and the response from government had been "sympathetic."

"We made it clear we want a free and open society for all," Mr Khan said.

The banned African National Congress--with whom leading businessmen from South Africa have held discussions over the last year--and its imprisoned leader, Nelson Mandela had not been raised.

Dr Human emphasized "the discussion was free and open to all."

Summing up, Mr du Plessis said the positive aspect of the conference today was that both sides had been prepared to put aside their specific interests to concentrate on their mutual interest. This was how to get the South African economy back on its feet and to help those who were so much in need.

/12913

CSO: 3400/399



ASSOCOM, FCI COMMENT ON BUSINESS CONFERENCE

MB071916 Johannesburg SAPA in English 1910 GMT 7 Nov 86

[Text] Johannesburg, 7 November, SAPA--Talks today between the state president and the barons of commerce and industry were necessary, and would help beef up business confidence in this strife-torn country, according to two business organisations.

The Association of Chambers of Commerce of SA [ASSOCOM] and the SA Federated Chamber of Industries [FCI] however, said business confidence would be boosted only when both political and economic problems were addressed too.

In a joint statement the leaders of the two organisations--FCI President Dr Hugo Snyckers and ASSOCOM President Mr Harold Groom--said that "the organisations consider that economic performance and political reform are totally interdependent in South Africa, and that both the government and the private sector will urgently have to promote policy steps that recognise this reality."

This would include the effective implementation and continuous review of a new economic strategy, privatization and deregulation, the statement said.

The organisations also stressed on the need for:

--"A socially responsive market economy, particularly sensitive to the needs of less privileged communities."

--"The complete elimination of racial discrimination at all levels of South African society."

They also emphasised the need for "a visible process of negotiation between white and black political leaders to create ultimately a non-racial democracy--linked to the private enterprise ethic--in South Africa."

/12913

CS0: 3400/399

UNCERTAINTY, UNREST BLAMED FOR ECONOMIC DOWNTURN

MB071144 Johannesburg SAPA in English 1139 GMT 7 Nov 86

[Text] Pretoria 7 November SAPA--The golden thread running through the long term economic strategy compiled by the Economic Advisory Council for discussion at today's government economic conference with the private sector was the necessity for financial discipline in future decisions and action, the council's deputy chairman, Mr Joe Stegmann, said. In one of the opening addresses at the conference, being held in Pretoria, Mr Stegmann, who headed the sub-committee which drew up the strategy, said he was pleased to note from the government's preliminary reaction that it had mainly either accepted the recommendations or confirmed present policy was already in line with them.

"I hope that after today the proposals will carry even more weight and that the government will accept these proposals in their entirety." It was important that, for the first time, a comprehensive long-term strategy was contained in one document which demanded reconsideration of priorities and greater discipline, particularly in the financial field, in future economic policy determination. The document essentially proposed a market-oriented approach as the highest priority for economic growth and job creation. As far as Mr Stegman knew, the strategy was the first one that fully accepted South Africa as a developing country and not already developed.

"The complex nature of our society is not only acknowledged and accepted, but proposals are also made on how the new opportunities this creates can be best utilised." The country's modern sector was the economy's chief driving force and should serve to pull the third and first worlds together.

It was essential not to move away from further industrialisation in South Africa's economy. Mr Stegmann said the council identified an important new leg of economic strategy following the government's acceptance of blacks urbanisation as inevitable and desirable. The stimulus this offered, if correctly managed, could make a strong contribution to future economic growth. The process could be termed "inward industrialisation" and it would compensate to a large degree for the negative effects of punitive foreign measures against South Africa. Mr Stegmann warned it would not succeed if deregulation, particularly in the informal sector that would arise as a result of urbanisation, was not carried through to its fullest.

The government's proposals for deregulation and privatization to be discussed at today's conference were thus timely and vital to the success of the long-term economic strategy. Mr Stegmann said the rural sector and the promotion of small business also received particular attention in the strategy.

The recognition of the interdependence between economic and political factors in South Africa's society were fundamental to the strategy's future success. "There are mischievous people who would drive a wedge between the private sector and the state and who would like to see today's conference declared a failure and a waste of time. I think the conference gives us the greatest opportunity we have had for a long time in the relationship between business leaders and the government to establish a new confidence in the economic and political future of our country and a new hope of a brighter future for the lesser privileged." "The basic ill of our economy in recent years was a lack of confidence fuelled by uncertainty and by the simmering unrest," he said.

Acceptance by all delegates of the long-term economic strategy and of a constructive plan towards privatization and deregulation was the catalyst for a new confidence among businessmen and a new hope among all who were looking for social, economic and political advancement in the developing sector of South Africa's society. "Those who would like to see this conference fail, wish to describe businessmen as having been set up by the government and would have it that the conference is nothing more than a forum for propagating government policies. As I see it, today's conference can spark off a new hope for the future. For this to occur, however, the business sector has come to this conference looking for a sign, for a reaffirmation by the government that recent events will in no way deter it from proceeding with the process of peaceful constitutional reform aimed at a fair and just dispensation for all South Africans," Mr Stegmann said.

He detected a strong need now in business, professional and academic circles for deliberation on the nitty gritty of alternative constitutional models. "This is a good thing and need not hamper the negotiation process."

/12913

CS0: 3400/399

MINISTER SPEAKS ON PRIVATIZATION, DEREGULATION

MB071317 Johannesburg SAPA in English 1314 GMT 7 Nov 86

[Text] Pretoria, 7 November, SAPA--The success of the government's privatization and deregulation depended on close cooperation between the public and private sectors, and on the "right type" of private sector involvement, the Minister of Economic Advisory Services, Mr Eli Louw said today.

Addressing the government's economic conference with 200 of the country's top business leaders in Pretoria, he said private sector investment had to increase as that of the public sector decreased, particularly in the spheres with the highest multiplier effect.

If this did not happen, South Africa would become a net loser of job opportunities.

The government accepted the most important criteria for private sector participation was the profit factor and granted this so long as it was reasonable.

Mr Louw said the biggest economic problem of a developing country was a lack of development capital, and in the case of South Africa, this was made worse by other than economic causes.

Privatization and deregulation were part of a total strategy to tackle the problem.

Privatization could however, work no miracles, as South Africa had very few state businesses, some of which were monopolies and could not be completely privatized. It could, however, play a substantial role to achieve the long-term economic goals.

Apart from the usual methods and guidelines for privatization, big public sector investment would in future be tested on the basis of the following three questions:

First, should the user pay without subsidisation by the taxpayer?

Second, is it a service that can be provided by the private sector?

And third, should the public sector provide the service on an economic basis?

The time was ripe for a "determined drive" towards privatization, of which deregulation was an important element.

Mr Louw said the government wanted to achieve reconciliation between the first and third world economies in the country, and to improve the general performance of the economy with more entrepreneurs, more competition and more job creation.

"We want to use the vital elements of the economy--capital, entrepreneurship, labour and raw materials--to the fullest degree possible. We want the market and price mechanism to regulate production and demand as far as possible and we want to broaden the economic basis to its fullest potential to achieve the much desired lower taxation levels."

/12913

CSO: 3400/399

CONFERENCE DOCUMENT ON PRIVATIZATION PLAN

MB071508 Johannesburg SAPA in English 1505 GMT 7 Nov 86

[Text] Pretoria, 7 November, SAPA--A three-year programme for privatization will be launched according to proposals in a discussion document aimed at the drafting of a white paper, which was discussed at the government's economic conference with the private sector in Pretoria today.

The programme would be launched as a basis for the establishment of an approach by which possibilities for privatization in the public sector could be continuously detected and exploited.

The project would be carried out by the already appointed committee of ministers for privatization under the chairmanship of the minister of administration and economic advisory services in the office of the state president.

"Proposals concerning central and provincial government functions or activities which have been identified for possible privatization will be submitted to the committee for consideration and then to the cabinet for approval," according to the discussion document.

The way in which privatization was to be carried out would be approved in each case according to the need. Also, private sector involvement in privatization activities would be sought at appropriate stages in the course of the investigations, depending on the circumstances.

According to the document, the transfer of activities to the private sector entailed the sale of assets, the sale of government undertakings and the transfer of government functions, and this could take various forms.

Among these were the acquisition of shares by the private sector in existing government undertakings with the government, however, retaining its shares until full ownership could be transferred.

The private sector could also obtain shares in new enterprises in which government would maintain a permanent involvement, where such a partnership may be appropriate in the case of natural monopolies or, for very special reasons, in the interests of the country.

Another form was the phasing out of shareholding by government in private undertakings when it had fulfilled its responsibility from a development point of view.

A fourth was the leasing of business or the granting of concessions in cases where it was not deemed appropriate to transfer ownership fully or partially to the private sector.

The relevant government property would be made available to the private sector against payment, and this applied to both existing and new services such as roads, water supply and the provision of buildings.

A fifth method was the termination of government activities, which might mean services for which there was still a demand could be provided by the private sector.

A sixth was the straight farming out of certain government activities.

The discussion document points out that a country's economy cannot function properly without any form of normal regulation, but that this could in particular circumstances restrict private entrepreneurship, the promotion of competition and the creation of jobs.

Consequently, public institutions should continuously ensure regulations they envisaged would restrict the healthy development of the economy as little as possible.

The government had already taken a number of measures to effect deregulation.

A second important aspect of deregulation was that it should not result in the mere replacement of a public monopoly by a private one in the absence of effective competition.

Laying down general guidelines for privatization, the document said its implementation was an ongoing process within the broader process of priority determination, which was aimed at the most effective allocation of resources.

"Activities in respect of which production and consumption can be undertaken efficiently by the market and price mechanism should be the responsibility of the private sector."

The private sector had to make the largest possible contribution to the GDP, with minimum government interference, while the public sectors contribution should be kept as low as possible.

Privatization should also be instrumental in creating more opportunities for individuals from all population groups to participate in the free enterprise system to the full extent of their abilities.

A last guideline was that where possible, privatization had to facilitate the promotion of small business development.

Laying down criteria for the privatization of government activities, the document notes functions that are so indissolubly related to the public interest that they had to be performed by government officials, should not be privatized.

These functions, however, often consisted of a variety of activities and the possibility that one or more of these could be privatized should not be excluded. Privatization of a function or activity could not entail a real risk to state security or internal order.

Privatization could also not defeat the political, social or ecological objectives served by a function or activity. The privatization of a function also had to be reconcilable with the competition policy. This meant that sufficient capacity had to be available, or potentially available in the private sector to ensure competition for and during the performance of the function or activity.

"The government sees little benefit in substituting a public monopoly for a private one, which will then in turn have to be regulated." Such monopolies could however, be established on a partnership basis between the private and public sectors, in appropriate cases.

A fifth criteria was that the privatization of a function or activity had to be to the long-term benefit of the services users, the taxpayer, or to society in general. This means that the continuation of the function or activity had to be ensured, as far as possible, at a reasonable cost.

Anticipating objections--which would on face value appear to be valid--to privatization moves, the document specifies that the fact existing state cross-subsidisation will be distorted will not be accepted.

"If a service that is operated at a loss must be continued in the public interest, the users should contribute to the maximum and any loss remaining should be financed or subsidized in the normal manner through the exchequer."

The fact that a service or product would apparently cost more after privatization would not as a result be a reason not to privatize. "Services and products are often supplied by public institutions at a price below the real cost."

"Before an allegation of higher costs can be accepted, therefore, the full real cost of the service for product will have to be determined by an independent institution," the document says.

In the case of socio-economic services, the state remained responsible for assistance when it came to the really needy, and for providing services on a scale and at a standard which the country could afford.

Opportunities for the privatization of both the production and financing of specific activities had to be utilised as far as possible.



"In certain instances, as was the case with low-cost housing, there are possibilities for the full transfer of certain responsibilities to the private sector in respect of these kinds of services."

The document says governments "economic services must be conducted on business principles, especially as far as capital return is concerned, and the user must pay for the services."

Public sector personnel would inevitably be affected where the termination of the supply or the transfer of a product or service to the private sector was involved, and implications of this would "always" have to be taken into account.

"It is important that everyone involved in such function or activity should in every case be treated justly. The personnel aspect should not, however, be an insurmountable problem, since mechanisms exist to deal with this."

According to an annexure to the discussion document, 36 functions or activities had already been fully or partially privatized by various government departments.

/12913

CSO: 3400/399

REPORT NOTES NEGATIVE IMPACT POTENTIAL OF WAGE PARITY

MB031323 Johannesburg SAPA in English 1307 GMT 3 Nov 86

[Text] Johannesburg 3 November SAPA--The black-white wage gap is still large but declining at a growing rate. Although this is in line with national policy, it could have a detrimental impact on black interests if "certain conditions are ignored..." This caveat emerges in the latest "Financial Perspective" of the department of Finance, just released.

The report notes that average wages for all groups of the population rose by some 12 percent a year during the late 1970's and by about 18 percent a year thereafter. "If the average annual wages of the population groups are expressed as a percentage of the average annual wage of the whites (which have the highest average wage), the income differential in terms of this comparative base is still large but declining," says the report.

"When comparing wages and incomes it must be remembered that the quality of labour is not homogeneous. Having moved from the traditional subsistence economy into a modern industrial economy at a fairly recent stage, blacks generally have not yet attained the levels of training and experience that would qualify them to fill managerial and other highly skilled posts. They predominate in the semi-skilled and unskilled categories of work, and this position is reflected in the unequal levels of average wages shown (in the tables in the report). It is the aim of South African Government policy to reduce the income differential between the various population groups. The raising of the income of black labour is, however, related to certain marginal conditions. If these conditions are ignored, the raising of black income will actually have a detrimental effect on the interests of the blacks."

/12913

CSO: 3400/399

STATE SPENDING WELL OVER BUDGET

Johannesburg BUSINESS DAY in English 20 Oct 86 p 1

[Article by Mick Collins]

[Text]

GOVERNMENT spending continues unabated, with August levels of over-spend surging towards the 10% mark.

Total expenditure for August was R2,7bn, an increase of 9,8%, compared with August 1985.

For the first five months of this financial year (including August), total spending was R15,8bn, representing an increase of 18,3% over the same period last year.

Economists expect total spending to be about 5% more than the projected budget.

Figures released by the SA-German Chamber of Commerce & Industry show the inflation rate was 18,7% on an annual comparison.

August food prices increased by 22%, against the same period last year.

Gold output is expected to rise to 712 tons in 1990. Analysts say current production levels are at the 660-ton level, giving an annual growth rate of 1%.

Other gold-producing countries show growth figures of: US (17%), Australia (21%), Chile (12%) and Canada (9%).

Gold output in August was 53 845kg, compared with July when 54 505kg were produced.

Gold and foreign exchange reserves at the end of August were R4,555bn and represented the highest since January this year.

Foreign currency had a share of R1,059bn.

SA recorded a favourable trade balance up to August, amounting to R8,249bn. This resulted from exports of R26,6bn and imports of R18,4bn.

From January to April, imports rose by 23% to R8,9bn.

Exports recorded for the same period came to R12,5bn, an increase of 14,8%, compared with the same period last year.

Projected mineral sales for this year amount to R29bn, which would represent an increase of 13,4% over those of 1985.

Exports are expected to account for 86,8% (R25,1bn) of total sales.

The value of hire-purchase lease agreements was R15,2bn in the quarter to end-June 1986 — R1bn less than the amount spent in the same period last year.

/9274

CSO: 3400/396

## SHARP RISE IN SPENDING BY CONSUMERS

Johannesburg BUSINESS DAY in English 29 Oct 86 pp 1, 2

[Article by Gerald Prosalendis]

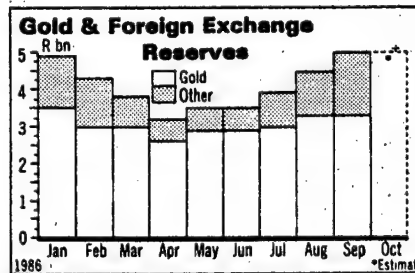
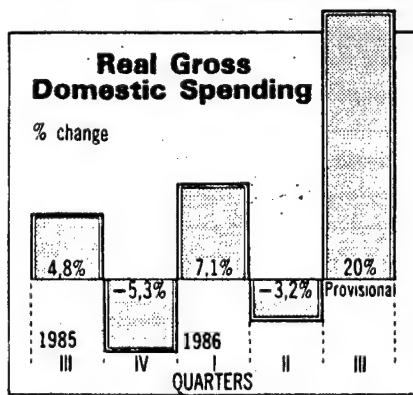
[Text]

REAL gross domestic expenditure (GDE) increased at a staggering annual rate of 20% in the third quarter of the year, confirming that SA's economic upswing, which stumbled in the first half of the year, is now well under way.

"The increase in GDE reflected a reversal of the drawing down of inventories of earlier quarters and a mild further recovery in private consumer demand," says Reserve Bank Governor Gerhard de Kock.

And manufacturers of durable goods, such as clothing and household furniture, are reporting sharply higher sales. A fading consumer boycott has added impetus to the trend, they say.

For example, Edgars, the consumer-based clothing retailer, pushed up sales by 24% to R423m (R341m) for the 26



weeks to September 28. MD Vic Hammond says consumer spending has revived strongly, particularly in the black market.

Real gross domestic product (GDP) increased by 2% to 3% in the third quarter, according to preliminary official estimates. Also, the rate of decrease in real private fixed investment decelerated in the third quarter.

"Real gross fixed investment by government and public corporations stabilised at a fairly low level after severe cutbacks in capital programmes in the first half of the year," says De Kock.

Other developments which point to the recovery gathering momentum include:  
☐ The announcement by Sats of a net surplus of R94m in the six months to September and a R200m profit reversal, compared with the same period last year. It now expects to turn last year's R367m loss into a R150m profit over the next six months.

☐ Wholesale sales in 1980 prices, which declined until May, increased in the subsequent four months. In September,

wholesale sales were 10,5% higher than in May, but were still 8,9% lower than in the same period last year.

□ Retail sales declined for the first seven months of the year, but recovered somewhat in August and September. In September, they were still 5,4% lower than in the same period last year.

□ In September, new motor vehicle sales were 18% higher than in March, but were still 12,9% lower than in September last year.

□ The value of imports increased substantially in the third quarter, according to official estimates. This, however, was partly because of fears of trade sanctions. But the value of gold and other exports increased considerably.

□ The Reserve Bank's gold and foreign exchange reserves increased to R5bn (\$2,3bn) at the end of September. Preliminary estimates put the figure for October even higher.

□ SA's trade surplus rose to R1,55bn in September, after rising to R1,12bn in August from R994,2m in July. In a surprise development, the Commissioner for Customs and Excise included the breakdown of world trading zones and 22 categories of imports and exports, which

had been omitted from the statement for August. At the time, this was widely interpreted as a move to make it easier for SA to circumvent trade sanctions.

SA is now well-placed to handle any rise in imports resulting from growth and demands for repayment of debt by foreign bankers.

"It is ironic that the third quarter — the period in which both the European Community (EC) and US imposed new sanctions — has turned out the best for the economy and the balance of payments for some time," says De Kock.

"Nevertheless, there is little doubt that the combination of capital outflow and sanctions will prevent the upswing from gaining as much momentum as it might otherwise have done and will retard economic growth in SA in the longer term," he says.

Despite the improved outlook, the authorities have scaled down projections of GDP growth for the year to less than 1%.

"However, the main improvement will be reflected in the 1987 growth rate, which could be in the order of 3% or higher," says De Kock.

/9274

CSO: 3400/397

GOVERNMENT WORKERS' EARNINGS SOAR

Johannesburg BUSINESS DAY in English 20 Oct 86 p 1

[Article by Gerald Reilly]

[Text]

**LATEST** government-spending figures show that its salary and wage bill has increased by 27%, despite President P W Botha's promise to cut the civil service bureaucracy.

Between April and June this year, government paid out R1,356bn in salaries and wages, a 27% increase on the April-June quarter the year before.

Central Statistical Services figures show earnings of central government workers rose sharply in the first quarter of the financial year.

And it was not only because of the 10% increase granted to all public-sector workers from April.

Another factor in the jump in the salary and wage bill was the 4,65% increase in central government staff to

almost 400 000, compared with the figure at the end of June last year.

Workers' average earnings rose by 21,5% to R1 138 a month.

In the current year's Budget, personnel expenditure for the year was estimated at R4,613bn, up by 22% on the previous year.

A breakdown shows the 152 650 white workers earned R782,2m, a 27,7% rise.

/9274

CSO: 3400/396

## FIRMS RELUCTANT TO DECENTRALIZE AS ECONOMY SLOWS GROWTH

Johannesburg BUSINESS DAY in English 31 Oct 86 p 7

[Article by David Furlonger]

[Text]

DEMAND for industrial incentives to set up shop away from the country's main centres is continuing to grow only slowly. The Decentralisation Board's 1986 annual report, released yesterday, shows the board approved 1 243 applications for incentives during 1985-86, an increase of only 2% on the previous year.

Board officials are quick to point out, however, that if all the applications are followed through, they could create more than 87 000 new jobs, a 13% rise over 1984-85. Nearly a quarter of those could come from foreign investment. Officials say 92 foreign firms — double the level of two years ago — applied for incentives and could provide 20 000 new jobs.

Another point of pride for the board is that applications are becoming more labour-intensive. The investment-per-job level is decreasing, indicating "that labour-intensive undertakings are established to an increasing extent under the scheme".

Government officials blame the poor economic climate for the slow growth in demand for decentralisation incentives. The report adds: "It should also be taken into account that the figures for the previous year, which serve as a basis for comparison, were exceptionally high."

This argument does not ring quite true. Applications approved in 1984-85 grew by only 2% on the previous year. The expected investment by companies seeking incentives actually fell 2%. This year it rose 10%, to R1,3bn.

Since government introduced its latest regional industrial development strategy in 1982, the Decentralisation Board has approved 4 423 applications from companies seeking incentives.

Those incentives include freight transport rebates, contributions to salaries, rental and electricity concessions, tender price preferences, housing and training subsidies, and even a relocation allowance to move from one part of the country to

another.

Geographic spread

By the board's reckoning, its activities have created 299 000 potential new jobs and attracted R4,8bn in investment. Its critics, however, say many of those jobs would have been created anyway and that it was simply a matter of where.

What critics cannot dispute is that those jobs have gone to areas that otherwise would see little industrial development. While simple economics continues to dictate that most new industries prefer to be based close to their main markets on the Witwatersrand, decentralisation incentives have undoubtedly led to a geographic spread of the industrial base.

Some 79 companies had applications approved last year to start business in East London, and another 67 in Port Elizabeth. At Isithebe, in Natal, application approvals could bring 9 500 new jobs to the region.

The development level in these areas is in line with government hopes that industrial decentralisation will itself become more centralised.

A common criticism of the policy has been that, with nearly 50 identified industrial development points, the cake is spread too thin. Too many points have been established for geographical convenience rather than practical need.

This is slowly being cured by natural demand. Six development points — East London, Isithebe, Ezakheni (KwaZulu), Phuthaditjaha (QwaQwa), Botshabelo (Free State) and Atlantis (Western Cape) — accommodate nearly half of total decentralised development.

According to a senior board official recently: "We want development on a priority basis at a few development points. You won't have success if the development point doesn't have some kind of economic viability of its own. The aim eventually is to phase out non-viable ones."

RAND MINES LIFTS PROFITS TO NEW RECORD

Johannesburg BUSINESS DAY in English 31 Oct 86 p 1

[Article by Cherilyn Ireton]

[Text]

RAND MINES, rejuvenated by an extensive capital expansion programme, has lifted profits to a new record for the year to September.

Earnings are up 21% to 1 197c a share (989c previous year) while the net worth of Rand Mines shares had increased to 8 728c (5 637c) at end September.

With earnings from gold, coal, base metal sales and investments higher than expected, the mining house has increased its final dividend by 55c to 320c, making a total of 425c (350c) for the year.

Although taxed profits rose a creditable 16% to R154m (R133m), chairman Dammy Watt says results would have been more impressive had the depressed property market not drained the contribution from the 76%-owned Rand Mines Properties.

Watt says: "All in all it was a most satisfactory year with better investment

techniques and cash management resulting in a strong increase in interest received."

Turnover, assisted by the low value of the rand, rose 19% to R787,2m (R661,4m) while operating profit was up 27% from R221,4m to just under R282m. Taxation increased to R128m (R98m) of which R80m was deferred.

Cash holdings amounted to R266m at the year end while almost half of shareholders' funds were tied up in long-term loans. These include an amount of R249,1m owing to Escom for the development of the Majuba and Khutala power station collieries.

Rand Mines, through a proposed acquisition of 42% of Vansa Vanadium, is poised to enter the vanadium and possibly platinum markets.

/9274

CSO: 3400/395



DEBTS BEING PAID OFF AT INCREASING RATE

Johannesburg BUSINESS DAY in English 31 Oct 86 p 1

[Article by Gerald Reilly]

[Text]

SOUTH AFRICANS were paying off their debts at an increasing rate and fighting shy of getting too deeply involved in credit buying, said Dun & Bradstreet marketing director Paul Edwards.

However insolvencies had sharply increased in the past three years. Edwards said a downward trend in the numbers being summoned for debts was emerging for the first time in months.

It appeared consumers had learnt a lesson by playing fast and loose with the easy credit available two to three years ago. The trend was supported by the ratio of savings to disposable incomes.

It was apparent that people were paying more into savings accounts, rather than increasing their credit commitments.

It was significant, too, that consumers appeared not to be abusing the ample credit available at commercial banks and financial institutions.

Another indication was that HP lending in the first half of the year was down on the figure for the same period last year. In August 63 572 debt summonses were issued compared with an average monthly total last year of 67 750.

This year's peak was in April when 74 450 summonses were issued. Edwards said the number of debt judgments were slightly down in August — 31 884 compared with a monthly average in 1985 of 33 250.

This year's peak was in April at 37 663. The amounts involved in the judgments were also falling.

In August the total was R58,703m, down from a peak of R71,303m in July. The average monthly figure last year was R47,916m.

## DROUGHT AGGRAVATES ACUTE WATER SHORTAGE

Johannesburg BUSINESS DAY in English 29 Oct 86 p 6

[Text]

THE challenge facing SA's water authorities is becoming more acute with every day of the drought.

And appeals to industry and commerce to save water are, in many cases, falling on deaf ears.

Water experts say the effect of drought on the state of dams in most summer rainfall areas is alarming.

Authorities are now making desperate appeals to the farming community, industry and commerce to conserve water before it is too late.

The problem is highlighted by the lack of rain which causes greater water consumption by irrigation. And irrigation is by far the biggest consumer taking 69,5% of the total volumes used.

The authorities are faced with the daunting task of educating consumers that unless they heed the warnings, restrictions will become a way of life.

Mines and industries are now being encouraged to re-cycle — a process which involves purifying polluted water and effluents from factories and sewage systems.

The major causes of pollution have been placed squarely at the doors of mining, industry and farming. In terms of legal requirements industrial effluents have to be purified to specified standards before being released into rivers.

In agriculture, however, that is not practical so effluents, fertilisers and herbicides are conveyed into streams, rivers and dams.

Farmers can make a valuable contribution by avoiding using excessive

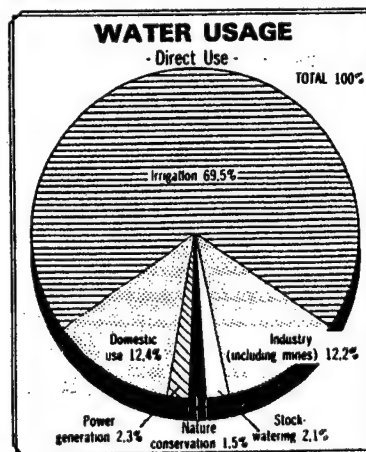
quantities of fertiliser and toxins and by practising cleanliness.

Agriculture can also contribute by improving irrigation methods and preventing loss through evaporation by using covered cement furrows and pipelines instead of open ditches.

Water experts say good results in water utilisation have been achieved in Israel using the drip irrigation method.

Compared with the sprinkler method, water consumption is reduced by about two thirds. However, watering by the drip method takes about four times as long as the sprinkler method.

Industry and mining have been asked to reassess essential water consumption in normal operational processes with a view to greater efficiency.



/9274

CSO: 3400/395

UNREST BRINGS EDUCATORS INTO CBD

Johannesburg BUSINESS DAY in English 20 Oct 86 p 1

[Article by Jane Strachan]

[Text]

BOYCOTTS and unrest in the townships are prompting many black-oriented educational organisations to look for central city premises.

At the same time, new entrepreneurs are taking advantage of the economic and political situation by entering the education market.

Few have found premises, though, as suitable accommodation is difficult to find. Problems include relatively high rentals and the density factor in locating classrooms in CBD blocks.

Landlords who already have conventional businesses in their buildings will not take in children, although several colleges for older students with lower densities, such as secretarial schools, are already in city premises.

Anglo American Property Services's (Ampros) Johannesburg leasing executive John Laws says he has had many inquiries from a range of education-related bodies, starting with an "alternative" school for which he was able to find a home.

A Sowetan technical college experiencing difficulties in the township is considering moving to an Ampros building, near the main railway station. The cost of converting the space would come to R140 000 for the 780m<sup>2</sup> under discussion.

This case, says Laws, highlights the often prohibitive cost involved. Many of the organisations are not in a position to pay going office rentals and alteration expenses.

One possible alternative is to use factories or warehouses, but again it is costly to achieve acceptable acoustics.

While Laws is dealing mostly with black clients, Landmark's Nick Hill says he is being approached by many whites who, he believes, are exploiting the economic situation.

WATER PROJECT BRINGS BOOM TO FREE STATE BORDER TOWNS

Johannesburg BUSINESS DAY in English 27 Oct 86 p 4

[Article by Mick Collins]

[Text] Free state border towns are set for a multi-million-rand boom after the signing of the R4bn Highlands Water Project between SA and Lesotho on Friday.

The town councils of Fouriesburg, Fricksburg and Ladybrand have already started preparing for the boom which will see huge infrastructural and housing development in the region.

Nearly 650km of roads will be built and upgraded with a resultant boost for regional development and tourism.

Schalk van der Merwe, mayor of Fouriesburg said the Caledonspoort border post close to the town would be enlarged and an R8m tarred road between the post and Bouriesburg station would be built.

A double-lane bridge will be built over the Caledon River at Caledonspoort, on the main throughway to the dam system.

Van der Merwe said there were many residential sites available at the town, and there had been an increase in the water and electricity supply.

Ficksburg mayor, Lorenz Schutte said the town's infrastructure had already been improved at a cost of R5m.

This included an extension of the electricity network, an improved water reticulation network and increased sewage capacity.

New tarred roads had been laid out in the town, and several other roads had been upgraded.

Ladybrand's mayor Fritz Weilbach said the town had grown steadily over the past two years as a result of the water scheme.

Current projects included the building of a dam and pipeline to the town, improvement of the local airport for night landings, and development of industrial sites.

Besides creating employment for thousands, the project will give Lesotho an electricity source of its own, as it generates power with water flowing to SA.

When fully developed, the project will deliver about 2,200-million cubic litres of water annually to SA and will also be able to generate about 800-million kilowatt-hours of energy a year for consumption in Lesotho.

The water SA will receive will more than double the Vaal River's resources, providing additional water for mining, industry, agriculture and households.

SA will save R1bn and Lesotho will receive more than R1,25bn in royalties as a result of the treaty.

The R4bn project will, however, achieve more for development, creating thousands of jobs and opening up the almost inaccessible interior of Lesotho for tourism, to the benefit of both countries.

/9274

CSO: 3400/395

NEW GUIDELINES FOR FISHING INDUSTRY

Johannesburg BUSINESS DAY in English 27 Oct 86 p 2

[Article by Chris Cairncross]

[Text]

GOVERNMENT has decided to make fundamental and significant changes to the way it manages SA's marine resources and allocates quotas to the country's fishing industry.

Details of the proposed changes are contained in a White Paper released in Cape Town at the weekend by Environmental Affairs and Tourism Minister John Wiley.

They set out the Cabinet's response to the report and recommendations of the Diemont Commission whose brief was to inquire into and make specific proposals for the establishment of a firm set of principles for the allocation of fishing quotas.

Wiley described the commission's report as an admirable, penetrating and objective document, providing fundamental guidelines for the effective management of the country's marine resources.

He said the 11 commendations had been accepted almost in their entirety, and legislative steps would now be taken to implement all the necessary changes as soon as possible — most of them in 1987.

The changes include:

- ☐ The allocation of quotas is no longer to be decided at ministerial level. Instead, this will be done by a Quota Board appointed by the Minister;

- ☐ Government has no intention of acceding to requests to close the industry to new entrants, although future access will be carefully controlled;

- ☐ It has been decided as a matter of policy that quotas should not be vested permanently in existing, past or future quota holders;

- ☐ Hake and sole quotas of individual companies in the deep-sea and inshore sectors are to be awarded for 10 years;

- ☐ A similar, extended 10-year quota period has been granted for pelagic fishing;

- ☐ Companies involved in rock lobster fishing are to be granted a seven-year quota period for south coast lobsters, and a five-year quota period for the west coast;

- Government has promised to reinforce its efforts to ensure SA fishing companies obtain the maximum quota rights to fish off Namibia.

/9274

CSO: 3400/395

## WATER SUPPLIES FACE HUGE DEMANDS

Johannesburg THE STAR in English 1 Nov 86 p 3

[Article by Sue Leeman]

[Text]

Large sums of money will be required during the next 15 years if the development of the country's water resources is to keep abreast with increases in demand, according to water engineer Mr N M Krige.

Mr Krige, who works for the Department of Water Affairs, told a seminar in Pretoria yesterday that by the year 2000 the total annual demand for water was expected to have risen to 25 900 million cubic metres — more than double the demand in 1980.

To meet this demand, an eight percent average annual increase in expenditure on water infrastructure in real terms was needed.

However, the annual growth rate of eight percent had not been maintained since the mid-'60s and an annual average compound growth rate of between 14,5 percent and 16,5 percent on present levels of spending would now be required.

"The serious risks inherent in continuing financial stringency could result in serious economic losses due to a shortage of water".

Mr Krige said the situation was

compounded by various factors, including the poor distribution of the country's water in relation to regions of economic growth.

In general the cost of providing water in South Africa was high compared with other countries, due to the relatively higher storage capacities required in this country's rivers.

"And it will increase in future due to the greater distances that water must be transported.

"Already schemes such as the Tugela-Vaal and the Usutu-Vaal have had to be constructed at great cost to augment the supplies to the Vaal River, and in the near future the Lesotho Highlands Water Project will be another inter-basin transfer scheme to meet the growing demands of the PWV region".

He added there was a need to replace a number of existing water schemes which were approaching the end of their usefulness.

In addition, the best dam sites had already been exploited and the remaining sites could only be developed at more expense.

He said deteriorating water quality and the increasing cost of removing sediment from dams also has to be taken into account.

/9274

CSO: 3400/397

## ADVICE OFFICE FORUM SPEAKS OUT ON BEHALF OF UNEMPLOYED

Cape Town GRASSROOTS in English Oct 86 p 6

[Text] Focus on Unemployed

THE plight of the unemployed has come under the spotlight with a special focus organised by the Advice Office Forum, an umbrella body of 14 advice offices.

The focus started in Mitchells Plain on Saturday October 4 with a fun run for the unemployed, organised by the Mitchells Plain Advice Office. The advice office continued their activities for weeks, having health screenings to check the effects of unemployment on people's health and also other programmes to educate people about the reasons for unemployment.

Activities also took place throughout the Western Cape. Soup kitchens were run in some areas and church services were held in Manenberg Heideveld and Mitchells Plain. A common prayer for the unemployed were held at mosques throughout the Western Cape.

A major church service, to which people from all over the Western Cape would be invited, was planned for Sunday October 19.

A press statement by the AOF said the campaign had been endorsed by a number of organisations, including churches, trade unions, community and health organisations.

### 'Scrap Arrears'

UNEMPLOYED people have raised many demands in their visits to advice offices, say the Advice Office Forum.

These demands include:

- Unemployment benefits should be increased from the present 45 percent of the person's salary.
- The period of receiving unemployment benefits should be extended for more than the present six months.
- Pay-out offices should

be easily accessible. For example, post offices and civic centres could be used.

- The waiting period for unemployment benefits should be less than the present three months.
- The Unemployment Insurance Fund (UIF) should be better administered to the benefit of the people it is supposed to serve.
- Rent and electricity arrears should be scrapped for unemployed people.

- Unemployed people should not have to pay rent.

- Unemployed people should be allowed to travel free of charge on all public transport.
- Water accounts of unemployed people should be scrapped, for example, in Atlantis where many people are on the trickle water system.
- Overtime should be banned and workers should work a 40-hour week so that more people could be employed.

THE government were trying to play down the number of unemployed people, even though they have been forced to acknowledge it as a major problem.

This was said by the Advice Office Forum who claimed the government's official figure for unemployed people failed to consider a number of factors.

Recently two academics found that a number of unemployed people in South Africa could be as high as six million, the government has consistently given a figure less than one million.



The AOF said the government failed to consider:

- Migrant labourers who are forced to leave for the "homelands" when they lose their jobs;
- people who have exhausted their unemployment benefits;
- school-leavers who cannot find work;
- people who are not considered to have the same rights as most workers, for example, domestic workers and farm workers;
- people who have worked for less than six months required to qualify for unemployment benefits.

"If all these figures are considered, one can see that the real figure for the number of unemployed people is much higher than the official figure," the AOF said.

"The problems of unemployment affects not only the unemployed, but also their families. It leads to problems like rent arrears, health pro-

blems, like malnutrition and TB, social problems like wife-battering, child abuse, incest and the breaking up of family life.

"According to Cape Town City Council figures, about 85 percent of Manenberg tenants are in arrears with their rents. Out of 1000 households, only 52 families paid their rent in full every month. Some people in Manenberg are in arrears by R600 in electricity payments alone.

"Whereas rent boycotts have been called in many areas throughout the country, like Soweto, people in the Western Cape do not pay their rent, simply because they are not able to pay.

"We fear the serious effect the increases in busfares and the bread price and the pending electricity tariff increases will have on the unemployed.

"Already many people have to walk long distances when they look for

work or when they take their children to hospital simply because they cannot afford the cost of public transport.

"There are also problems with the obtaining of benefits. Unemployed people have to wait about three months before they get their first cheque. Most poor people live from week to week because of the little money they earn. Waiting three months often means a long period of hunger and frustration, the AOF said.

The AOF said the community had responded in many ways to the unemployment crisis. In many areas, people had started regular soup kitchens, food and home-craft co-operatives.

"In Atlantis, the advice office runs 22 soup kitchens daily and feed 1700 children and 300 adults every day. They have had some financial problems since the detention on June 12 of Mr Noel Williams, the chairperson of the Atlantis

Residents Association, who is supposed to sign their cheques. Mr Williams is still in detention' the AOF said.

The AOF said there were many factors causing and influencing unemployment.

"More and more companies are becoming capital intensive as opposed to labour intensive. They are using more and more computers, machinery and robots instead of workers. This leads to many people being laid off.

"Bosses are not investing their profits in building new factories to accommodate more workers. Instead, they prefer investing on the Johannesburg Stock Exchange where the profit rate is higher.

"Apartheid laws and all their effects also contribute to unemployment. Examples are the job reservation policies, where jobs are reserved for whites while many blacks are unemployed." the AOF said.

/9274

CSO: 3400/397

NEW BOREHOLES SUNK CLOSING 'POTCHEFSTROOM GAP'

Johannesburg THE SUNDAY STAR (Finance) in English 19 Oct 86 p 8

[Article by John Orpen]

[Text]

IN the light of increasingly positive drilling results coming through from the so-called "Potchefstroom Gap", the recently listed Potchefstroom Gold Areas, currently trading at around R2,70, looks to be a very good bet. The share is listed under the exploration heading.

The Potchestroom Gap is that area of ground between the western end of the West Wits Line, generally demarcated by Deelkraal mine, and the Klerksdorp gold field roughly 60 km further west.

Together with Anglo American, PGA holds subscription rights over 57 000 ha in this area. The total area of the gap is around 120 000 ha.

Last week it was announced that a borehole result had confirmed an earlier rich reef intersection 30 km north-east of Potchefstroom. All this points to the area supporting perhaps as many as three new mines.

The borehole MGM2 on the farm Gerhardminnebron has intersected reef at the relatively shallow depth of 1 341 m. This assayed 15,12 g/t. The shallow depth could have been caused by faulting of the reefs as the earlier MGM1 borehole, which struck reef assaying as much as 21,24 g/t, only reached the conglomerates at 3 184 m.

Anglo American, while admitting that the borehole results are encouraging, says a lot more drilling will have to be done before any decisions on mining can be taken. At the moment Anglo American and Gold Fields are drilling five new boreholes south of Gerhardminnebron.

But the portents are certainly beginning to look good for PGA. The announcement last week was actually made by New Central Witwatersrand, which was trading around R7,20. This could also prove a good investment.

/9274

CSO: 3400/389

MANGANESE SINTERING PLANT AT MAMATWAN

Johannesburg THE SUNDAY STAR in English 19 Oct 86 p 8

[Text]

SAMANCOR is to establish a plant for the sintering of manganese ore at its Mamatwan mine. The plant, with its facilities, will cost R60 million and should be completed in 1988.

Sintered ore has a number of advantages over lumpy ore and its production should significantly improve the cost-effectiveness of Samancor's manganese-alloy operation.

Further advantages include a reduction in production costs, a higher manganese content, a reduction in electricity consumption for alloy production and a decrease in furnace maintenance costs.

The new plant will have a capacity of 500 000 t a year and was sited at Mamatwan rather than Samancor's Meyerton works because of the lower capital expenditure required there.

/9274

CSO: 3400/389

## BRIEFS

**COSTLY LOANS FOR SUBSIDIARIES**--SA subsidiaries of multinational corporations which break overseas links may find the raising of loans will be more expensive without the stronger credit rating of their offshore parents. Bankers say that the bottom line for credit risk will be based entirely on the newly-constructed balance sheet after the management has bought out its former parent. The SA companies, many of which have profitable operations, will now have to stand on their own when drawing on foreign and domestic credit lines, say banking sources. Many foreign subsidiaries have achieved undoubted borrower status because bankers knew that the parent company would stand behind its subsidiary. Executives of companies who have bought control say their access to debt has not been impaired. Some companies could even gain more borrowing flexibility as a result of their independence. Exchange control regulations limit the local borrowing of companies with 25% or more of their equity in foreign lands. Wholly-owned subsidiaries of foreign multinationals may borrow 50% of total share equity, retained earnings and long-term debt--including any intra-company debt owed their parent. [Text] [Johannesburg BUSINESS DAY in English 27 Oct 86 pp 1, 2] /9274

**TRADE BALANCE FIGURES**--Trade figures for the nine months to September give promise that this year should produce another healthy surplus on the current account of the Balance of Payments. Total exports for the three quarters were R30,61 bn, against imports of R20,81 bn, resulting in a surplus of R9,8bn, compared with a surplus of R8,34bn for the same period of last year. Figures for last month, released by Customs and Excise yesterday, show exports rose to R4bn from R3,67 bn in August, while imports fell to R2,46bn from R2,55bn. The figures suggest the surplus on current account could be of the order of R4,5bn. The repayment of foreign debts outside the standstill net and the other outgoings stemming from initial payments on debts inside the net have, until recently, resulted in a large outflow of funds through the capital account. The last statement from the Reserve Bank suggests the loss of funds through the drain on capital account has been slowed down and that the year will close with a strengthening of the Reserve Bank's foreign exchange reserves. Governor of the Reserve Bank Gerhard de Kock said recently the Bank might use some of its foreign currency holdings--now believed to exceed R2,2bn--to redeem some of the gold swaps made to raise currency to pay foreign debts. [Text] [Johannesburg BUSINESS DAY in English 28 Oct 86 pp 1, 2] /9274

EXPORT PERFORMANCE--The South African Deputy Minister of Finance, Trade, and Industry Mr Kent Durr, says South Africa's export performance over the past year has surpassed all previous records. Addressing the annual general meeting of the South African Foreign Trade Organization in Johannesburg, Mr Durr said this performance was reflected in an export growth of nearly 50 percent. This had generated nearly \$9 billion in nongold exports and produced a surplus of more than \$3 billion on the current account of the balance of payments. Mr Durr said the surplus was a major reason why South Africa's short-term debt repayments could be negotiated successfully. [Text]  
[Johannesburg International Service in English 0630 GMT 7 Nov 86 MB] /12913

EXPORTS TO ISRAEL RISE 70 PERCENT--SA's exports to Israel were up 70% in the first four months of 1986 against the same period last year. Imports declined 10% over the same period. The SA-Israel Chamber of Commerce said the rand's low value had caused a significant increase in SA manufacturers looking at Israel as a target market. Inquiries from SA firms seeking Israeli industrialists as partners in joint-venture agreements were also on the rise, the chamber said in its annual report. Exports to Israel continued to be dominated by mineral products (42% of total exports) and base metals (23%). Exports of base metals, mainly steel, jumped 95% over the previous year, it said. The report targeted machinery, electrical equipment, vehicles and aircraft as exports which performed well and showed growth potential. Leading the list of imports from Israel into SA were machinery, electrical equipment and parts, chemical and allied products. These accounted for about half of total imports. [Text]  
[Johannesburg BUSINESS DAY in English 29 Oct 86 p 6] /9274

LEEUFONTEIN TO DOUBLE COAL PRODUCTION--Leeufontein Mine, which forms part of the Murray & Roberts stable, is now in a position to double its coal production to 50,000 t/month after the recent completion of additional facilities. The R2,1-million contract, carried out by EMS Minerals, involved the design, supply and erection of a washing plant, a raw-coal crushing and screening section and products-handling section at the mine's plant near Delmas in the Eastern Transvaal Highveld. The plant has been designed to beneficiate 150 tons of raw coal an hour in a large heavy-medium cyclone separation plant. Civils work on the project was carried out by Gillis Mason. Leeufontein is the closest commercial coal producer to Johannesburg. [Text] [Johannesburg THE SUNDAY STAR (Finance) in English 19 Oct 86 p 8] /9274

COAL EXPORTS MEET TARGET--Despite limited sanctions on SA coal, exports for the first eight months are on target to equal the record 44,7-million tons shipped from Richards Bay last year. Figures compiled after the Minerals Bureau show between January and August 29-million tons of coal were sold abroad. If this tempo of about 3,6-million tons a month is maintained until the end of the year, exports won't be far behind those of 1985. However, sales are expected to increase as producers try to meet outstanding export contracts before December. Meanwhile production has not slowed despite depressed markets and

the threat of sanctions. In August, 14,7-million tons of coal were produced compared to 14,3-million tons in July. However, gold production for August was slightly lower at 53,273 kg (54,024kg in July), with sales fetching R1,5bn (R1,7bn). Other interesting figures for August are those for tin, which show the severity of the crisis in international tin markets. In August 1985, SA produced 179 tons of tin metal, while sales earned R4,1m. This year production was down 5% to 169 tons, but revenue from sales fell 44% to R2,3m. [Text]  
[By Cherilyn Ireton] [Johannesburg BUSINESS DAY in English 30 Oct 86 p 5]  
/9274

CSO: 3400/397

- END -